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CONTEMPORARY INTERNATIONAL POLITICS

by

WALTER R. SHARP

PROFESSOR OF GOVERNMENT
COLLEGE OF THE CITY OF NEW YORK

GRAYSON KIRK

ASSOCIATE PROFESSOR OF GOVERNMENT
COLUMBIA UNIVERSITY

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To
D. B. S. and M. S. K.

PREFACE

THE study of international politics, conceived in the broadest sense, has become an integral part of the instructional program in nearly every American institution of higher learning. Outside the classroom popular interest in the subject has grown to phenomenal proportions. Newspaper headlines feature every move on the chessboard of international diplomacy and a host of news analysts endeavor daily, sometimes hourly, to explain the inner significance of these happenings to a vast and unnumbered radio audience. Through the magic of short-wave broadcasting the strident voice of Adolf Hitler, hurling his defiance at the world, is almost as familiar to a householder in Des Moines or Buenos Aires as to any citizen of the German Reich.

This unparalleled popular interest in international affairs is more than an escape from the humdrum of daily routine to the exoticism of events in foreign lands. It is a natural reaction to the spectacle of a shrinking globe, a sober reflection on the part of millions of bewildered people who have learned through bitter experience that their own lives and fortunes may be jeopardized by the turn of events in a remote part of the world. In their anxiety such people are making a genuine effort to understand how it is and why it is that crises are contagious, that wars tend to spread in an alarming fashion, and that little assurance of safety can be found in the insulating devices of a past era.

This book is not designed to provide any simple or complete answer to these complicated and perplexing aspects of a new world that through infinite travail is struggling into being. It constitutes, rather, an attempt on the part of the authors to explore and examine those fundamental forces which in their view are most responsible for the motivation of foreign policies. Schematically considered, some of these forces create tensions which eventuate in bloody and exhausting wars while others provide a basis for a healthy and pacific international coöperation. We have endeavored to analyze each of these sets of forces, together with the efforts that have been or might be made to control or eliminate the one and to improve and extend the other. In our opinion, a functional interpretation of the interlocking factors of geography, population, race, nationalism, technology, economics, and gov-

ernment offers distinct advantages by comparison with any strictly chronological, regional, or country-by-country treatment of subject matter. Accordingly, we have in large part avoided the latter approach for the former.

Given such a war-torn and otherwise fluid world as that of today, no study of international politics can wholly escape being "dated." The chapters that follow take account of the march of events through February 1940. Except as otherwise indicated, the terms "war," "prewar" and "postwar" refer to the 1914-18 conflict.

Persons and institutions who have aided the authors from time to time in the preparation of this volume are far too numerous to be listed in a brief foreword. We are grateful for their unfailing help and we absolve them cheerfully from any responsibility for errors of fact or vagaries of judgment which may appear in these pages. To Miss Emily Blenis and Miss Ellen Sorge go our thanks for their patient assistance in the preparation of the manuscript.

Madison, Wisconsin
April, 1940

W. R. S.
G. K.

CONTENTS

PREFACE	vii
-------------------	-----

PART ONE: THE SETTING

I. THE CLIMATE OF WORLD POLITICS	3
Community and Politics. The Existence of a Potential International Community. The State System and Power Politics. The Struggle for International Coöperation	
II. THE STATE SYSTEM	15
The Heritage of Rome. The Emergence of National Monarchy. The Doctrine of Sovereignty. The Struggle for Empire. National "Self-Determination" since Waterloo. The World of States Today. The Organization and Functions of Diplomacy	
III. GEOGRAPHY AND NATURAL RESOURCES	41
Climate. Location. Topography and Form. Raw Materials	
IV. POPULATION PRESSURE	71
Population Trends. Population Pressure Today. Government Policy and the Population Problem. Government Policy and Population Growth	
V. THE ELEMENTS OF NATIONALITY	93
Nationality and Race. Nationality and Religion. Nationality and Language. Nationality as a Cultural Composite	
VI. NATIONALISM AS A CULT	116
Patriotism at the National Level. The Schools as Inculcators of Nationalism. Press, Screen, and Radio. Symbols and Social Myths. Liberal versus Fascist Nationalism	
VII. TECHNOLOGY AND COMMUNICATIONS	146
The Impact of Invention and Discovery. The World's Transportation Network. The World's Communication System	

VIII. THE TRANSNATIONAL WORLD AT WORK 192

The Multiplication of Human Contacts. Organized "Non-Political" Internationalism

IX. INTERDEPENDENCE: CULTURE AND ECONOMICS 217

The Diffusion of Culture. Economic Interdependence

PART TWO: IMPERIALISM

X. THE DYNAMICS OF IMPERIALISM 239

The Forces of Imperialism. The Techniques of Imperialism

XI. IMPERIALISM: AN APPRAISAL 258

Imperialism and the Native Races. Other Effects upon Native Races. Imperialism and the Mother Country. The Search for a Solution

PART THREE: THE ECONOMICS OF WORLD POLITICS

XII. PREWAR INTERNATIONAL TRADE 287

International Trade Development, 1800-1914. How Prewar Foreign Trade Was Financed

XIII. THE INTERNATIONALIZATION OF INVESTMENT 305

Motives for Foreign Investment. Types of Foreign Investment. The Problem of Government Control. The Problem of Investment Protection. The Flow of Capital

XIV. THE DEBT BURDEN: POLITICAL AND OTHERWISE 326

The Costs of War. Reparations. The Inter-Allied Debt Settlements. The Total Debt Burden. The Postwar Flow of Capital. The Monetary Problem. The Course of Postwar Trade

XV. TRADE BARRIERS AND COMMERCIAL POLICY 348

Tariffs. Commercial Treaties. Postwar Trade Barriers. Lowering Trade Barriers. The World Economic Conference

XVI. ECONOMIC NATIONALISM AND THE DEPRESSION 365

The Search for a Way Out. Economic Nationalism as a Philosophy of Depression. International Cooperation as a Method of Escape

PART FOUR: INSTRUMENTS OF CONFLICT

XVII. WAR IN MODERN SOCIETY	397
The Changing Character of War. Changes in Warfare. Costs of Modern Warfare	
XVIII. MILITARISM AND THE ARMS PROBLEM	414
Warfare in the Scientific Age. The Private Manufacture of Arms. Government Manufacture. Armaments as a Cause of War	
XIX. PROPAGANDA AND CENSORSHIP	428
The Development of Propaganda. The Problem of Governmental Control. Propaganda and Censorship in War. Propaganda in Foreign Policy	

PART FIVE: THE STRUGGLE TO ORGANIZE PEACE

XX. DIPLOMACY AND PACIFIC SETTLEMENT	447
The Quest for Peace. Diplomacy by Formal Conference. Mediation and Conciliation. Arbitration and Adjudication. The Nineteenth-Century "Peace System" in Retrospect	
XXI. THE GENESIS OF THE LEAGUE OF NATIONS	468
"Peacemaking" at Paris. The Evolution of the Covenant	
XXII. THE LEAGUE SYSTEM OF INTERNATIONAL COÖPERATION	489
What the League Is Not. The League as a Coöperative Instrumentality. The Assembly. The Council. The Administrative Services. The Permanent Court of International Justice. The International Labor Organization	
XXIII. THE SEARCH FOR SECURITY: VERSAILLES TO LOCARNO	526
America Rejects the League. The League and Postarmistice Settlement. The Geneva Protocol and "General Security." Locarno and "Regional Security."	
XXIV. THE ILLUSION OF PEACE WITHOUT SECURITY	552
Franco-German <i>Rapprochement</i> , 1925-29. The Pact of Paris and the Progress of Pacific Settlement. The Briand Project for European Union. The Austro-German Customs Union Proposal. League Intervention in Latin America: Chaco and Leticia. America Rejects the Permanent Court	

XXV. ENTER AGGRESSION—EXIT DISARMAMENT	574
5 / The Manchurian Aggression. The Background of the World Disarmament Conference. The Franco-German Duel: "Security" versus "Equality." Enter Rearmament	
PART SIX: THE RESURGENCE OF POWER POLITICS	
XXVI. THE NEW STRUGGLE FOR POWER	609
The Impact of Fascism. European Reactions to Hitler. The Conquest of Ethiopia. Germany Strikes at the Versailles System. The Remilitarization of the Rhineland	
XXVII. THE FRUITS OF APPEASEMENT	632
The Spanish Civil War. Aggression Moves Eastward: the Sino-Japanese War. Hitler Completes the <i>Anschluss</i>	
XXVIII. THE END OF APPEASEMENT—AND AFTER	655
The Tragedy of Czechoslovakia. Two Interludes: Memel and Albania. Danzig and the Polish Corridor. The War of 1939. Italy and the War. The Soviet Union and the War	
XXIX. INTER-AMERICAN RELATIONS	684
The "Good Neighbor" Policy. "Pan-Americanizing" the Monroe Doctrine. Toward an Inter-American Peace System. The Economic and Cultural Foundations of Pan-Americanism	
XXX. AMERICAN "NEUTRALITY" RECONSIDERED	707
The "Great Crusade" Twenty Years After. The First Stage of the "Neutrality" Controversy. The Neutrality Act of 1937. Repeal of the Arms Embargo. Repercussions of the War upon America	
XXXI. THE CLIMATE OF PEACE	728
The Paradox of War. Pathways to Peace. The Reeducation of Democracy	
XXXII. THE ORGANIZATION OF PEACE	749
World Government as a Goal. A "Union of Democracies"—Now? The League and European Political Reorganization. The Colonial Problem. Collective Security at the World Level. Economic and Social Planning for Peace	

APPENDIX

THE COVENANT OF THE LEAGUE OF NATIONS	779
THE CONSTITUTION OF THE INTERNATIONAL LABOUR ORGANISATION	789
✓ TREATY OF MUTUAL GUARANTEE BETWEEN GERMANY, BELGIUM, FRANCE, GREAT BRITAIN, AND ITALY (<u>THE LOCARNO TREATY</u>) ¹⁵	799
THE ITALO-GERMAN MILITARY PACT	802
THE ANTI-COMINTERN PACT	804
THE BERLIN-MOSCOW NONAGGRESSION TREATY	806
THE NEUTRALITY ACT OF 1939	807
THE LIMA DECLARATIONS	816
BIBLIOGRAPHICAL NOTE	818
INDEX	823
SUPPLEMENTARY PAMPHLET	841

LIST OF ILLUSTRATIONS

1. Organization of the United States Department of State	30
2. Coal. World Production, Consumption, and Principal Trade Relations in 1934	58
3. Iron Ore. World Production, Consumption, and Principal Trade Relations in 1934	61
4. Petroleum. World Production, Consumption, and Principal Trade Relations in 1934	64
5. How the Great Powers Rank in Terms of Mineral Wealth . . .	66
6. How Europe's Population Has Grown	73
7. The World's Population Density	79
8. Dominating Religions in the Countries of the World	101
9. Racial Minorities in Czechoslovakia	108
10. Language Map of Upper Silesia	112
11. The European Railway Network	156
12. European Air Routes	160
13. The Pan American Airways System	162
14. Cable Chart of the World	176
15. International Radio Circuits	184
16. Tourist Traffic of Three Countries, 1927-1933	196
17. League of Nations Health Organization	214
18. Sources of the More Important Materials Used in a Telephone System	230
19. The Great Empires of the World	240
20. The Mandate System	281
21. Major Manufacturing Regions of the World	296
22. European Tariff Walls in 1927 facing	358

23. The Trade Agreements Program	390
24. Russia after Brest-Litovsk	469
25. The League of Nations Assembly Hall	facing 492
26. The Headquarters of the League of Nations	facing 492
27. The Pacific and the Far East	638
28. German Minorities in Central Europe	670
29. Latin America's Links with the World	698
30. The Hemispheric Security Zone	725

COLORED MAPS

Europe in 1914	facing page 22
Postwar Europe	facing page 26
Africa in 1910	facing page 252
Europe in 1939	facing page 662

LIST OF TABLES

I. Population and Area of the Seven Great Powers	28
II. Petroleum Production	65
III. World Production of Gold and Silver	65
IV. Population Densities	78
V. The Broad Racial Groups	94
VI. Increase in Gross Tonnage since 1900	153
VII. Railway Mileage by Countries	157
VIII. Unnaturalized Alien Residents	198
IX. Total Area and Population of the Colonies, Protectorates, and Mandated Territories of the Metropolitan Powers	244
X. Net Food Imports into Great Britain	249
XI. Increase of Imports of Certain Staples	249
XII. Colonial Trade in Relation to Total World Trade	269
XIII. Exports to Their Colonies by Countries	269
XIV. Imports from Their Colonies by Countries	270
XV. Mother Country Trade with Dependencies (in Percentages of Total Trade of Mother Country)	272
XVI. Mother Country Trade with Dependencies (in Percentages of Total Trade of Dependencies)	273
XVII. Foreign Commerce of the World	297
XVIII. United States Export Trade by Economic Classes	298
XIX. Balance of International Payments of the United States, 1936-37	303
XX. Corporate Investments of the South Manchurian Company	312
XXI. Foreign Government Issues	315
XXII. Loans Made by the United States as of 15 November 1922	329

XXIII. European Export Trade in 1925	345
XXIV. World Production and Trade in 1925	346
XXV. German Imports, 1870-1925	349
XXVI. Average ad Valorem Level of Customs Duties	360
XXVII. Percentage of Value of Total German Supplies of Goods	384
XXVIII. Germany's Trade with Central and Eastern Europe, 1938	384
XXIX. National Defense Expenditures of the World	417

II

THE SETTING

II

THE CLIMATE OF WORLD POLITICS

COMMUNITY AND POLITICS

(In its widest meaning politics may be defined as the process of group living. The stuff of politics is conflict and adjustment. These two phenomena alternately occupy the foreground of the human drama. Both are always present somewhere on its stage. Wherever people attempt to live together in a community, there is politics. The nature of human communities is as diversified as the range of mankind's activity on this earth. Functionally considered, the family, the church, a trade-union, a business corporation, a university, a private club, a medical or bar association, forms, each in its own way, a community.

In a more exclusively territorial sense, human communities vary in scale from tiny rural hamlets to huge metropolitan centers, from regions or provinces to nations, empires, and even the wide world. Whatever be the size or nature of the community, conflict is always latent or active within its membership. Unless this internal conflict can be sublimated into peaceful, coöperative effort, no community can realize its common purposes. It is the pulling and hauling of rival interests, the discussion of the issues that divide them, and the formulation, acceptance, and constant revision of general rules of conduct, that constitutes the political process.

Considered in this light, world politics is essentially little different from municipal or national politics. Within a city, the battle of politics rages between tax spenders and economizers, advocates of public improvements and their opponents, civic reformers and corrupt party machines, the rich and the poor; within a nation, between Republicans and Democrats, Liberty Leaguers and New Dealers, free traders and protectionists, individualists and collectivists, agrarian and industrial interests, capital and labor, inflationists and deflationists, wets and dries, criminals and law-abiding citizens, Catholics and Protestants, North and South, East and West, and so on. At the international level, to be sure, the forces of conflict are more explosive and disruptive, because there is less sense of community than within a city or a nation; but they are not inherently different. Germans against French;

Japanese against Chinese; Americans against Mexicans; competing claims for territory, markets, and raw materials; creditors versus borrowers; religious and racial rivalries; aggressive versus peace-loving governments; isolationists versus coöperationists—these are divisive forces that produce the international drama.

| The contrast between *intra-* and *international* politics lies less in the nature of the conflicting forces than in the techniques available for their reconciliation. | Inside the nation not only are there generally accepted rules that normally compel the peaceful adjustment of political controversy, but there is also organized machinery for the enforcement of those agreements that are reached in conformity with the rules. As between nations, such rules, except in an exceedingly limited sense, do not exist; nor has mankind yet been able to establish any *supernational* authority with the power to sanction such agreements as may be arrived at by peaceful persuasion. For the nation, the instrumentalities of politics are the ballot, parties, elections, legislation by decree or majority vote, executive agencies, courts, and police. At the international level, we find at work only the tenuous bargaining operations of diplomacy, leading to peaceful solutions only when *all* the interested parties give their assent, or are compelled by threat or use of superior force to adhere thereto. There is no effective *supernational* agency either to secure observance of existing international agreements or to assure their *orderly* revision against the stubborn insistence of one or more nations that the *status quo* must remain undisturbed—long after it has begun to breed trouble. In a democratic country an unworkable piece of national legislation can be changed or repealed by the same constitutional procedure that produced it; in a dictatorial régime, by decree of the dictator. The unjust provisions of the Peace Treaty of Versailles, on the contrary, could be altered only with the general consent of all the principal parties to the Treaty (including victorious France and Britain), or by the threat of forcible action by Germany after that nation had regained sufficient military strength to make effective its blunt repudiation of the Treaty.

To be sure, there are times when the fabric of law and administration fails to secure either justice or peace inside national communities. When, for example, widespread strikes paralyze an industry and physical violence takes place between workers and company guards, the police being unable to cope with the situation, we have a condition of industrial anarchy analogous to the international anarchy that produces war or threat of war. Similarly, race riots, accompanied by lynchings, or the "hunger marches" of desperate bands of unemployed men and women, may temporarily paralyze the operation of law enforcement machinery. If the grievances of an economic class, a racial minority, or a geographic region reach the boiling point, the result may, of course, be actual *civil* war, as in the case of North

versus South during the 1860's, or the Russian Bolshevik uprising in more recent times. If the revolt is successfully quelled by the legally constituted government, it is recorded by history as an *insurrection*; if victory comes to the insurrectionists, their action becomes known to posterity as a *revolution*.

In terms of the world community, *international* wars may not inappropriately be regarded as *civil* wars. They constitute "rebellions" against social situations for the correction of which no legally constituted world authority exists. Or they take the form of forcible aggression designed to satisfy the ambitions of the power mad rulers of certain portions of the international community. In either event peaceful procedures give way to armed conflict—all too often with needless sacrifice of life and property because there may be no more justice in the new "peace" settlement than in the, *status quo ante*.

But, it will be asked, is there really any such thing as a *world* community? Are the essential elements of a community present at the international level? Do people have sufficiently vital interests extending beyond the frontiers of their own nation to give them a stake in how other states behave? These are queries that require examination at the outset of any study of world politics.

THE EXISTENCE OF A POTENTIAL INTERNATIONAL COMMUNITY

It is indeed a paradoxical world in which the two billion human beings on this globe now live. On the one hand, we find the world's population divided into sixty or so political units called *states*; on the other hand, the economic and cultural activities of mankind are increasingly conditioned by a technology that knows no national boundaries. A distinguished English publicist has recently observed: "The two movements which have dominated the history of the last hundred and fifty years, the processes of the Industrial Revolution and the ideas of the French Revolution, have contributed the first to multiply a millionfold the contacts between individuals in different countries, and the second to intensify the differences between them. The first has given us a world-wide economic system ignoring the human relationships involved. The second has given us a rudimentary social system, the individual members of which are, for the most part, acutely conscious of their corporate being and of its needs and desires, but as yet inexperienced in the practice of a common international life and untrained in the habits of minds and forms of thinking which would normally precede its successful exercise."¹ Politically, the world has not caught up

¹ Alfred Zimmern, "The Study of International Relations" (New York and London, 1931). Reprinted by courtesy of the Oxford University Press.

with the impact of such inventions as the steam engine, the dynamo, and the radio, by which production, trade, and communication are now entangled in a network of *international* operations. Most educated people are at least aware of this growing solidarity of interest that binds the fortunes of one country to those, not merely of its immediate neighbors, but of far-distant countries.

Nevertheless, there is no *world* patriotism at all comparable to the intense national patriotisms that separate Germans from Frenchmen, or Americans from Japanese. The disruptive forces of race, language, tradition, and social ideology move men more deeply and more frequently than the partially articulate realization that the eggs of the world's life have been scrambled once for all. Although the phrase "world interdependence" now appears in print so often—at any rate in the democratic countries—as to have become trite, few people or few governments behave as if they understood what it really implies. Perhaps it is because of the sacred ideals of freedom from foreign oppression, for which good patriots have fought in the past, that the average person in this twentieth-century machine age fails to appreciate how the establishment of a well-ordered world government might indeed enlarge the effective sphere of freedom and independence, not only for his own nation, but for him as an individual as well. This is precisely what happened when the thirteen American colonies united under a federal system a century and a half ago. Each of the former colonies surrendered its right to set up trade barriers and maintain a separate defense force, but in so doing it contributed greatly to its own future security and prosperity.

The *subjective* solidarity essential to such an achievement, however, is still absent where widely divergent language, racial, and geographic elements are involved. Despite the fact that man's inventions in the field of metallurgy, chemistry, and radio-electricity have intensified the destructiveness of present-day war and made it impossible for any nation to attain either military or economic self-sufficiency, few states are ready to pool their common resources in an effort to establish a stable international order. Marked disparities in national development act as obstacles to any successful coöperative effort. Some countries are rich, others poor; some are sparsely populated, others congested; some feel geographically secure—more or less; others have land frontiers which touch the fortified boundaries of powerful neighbors. At the present stage of world history, a still more formidable obstacle arises out of bitterly conflicting ideologies, political as well as economic.

These factors have militated against the development of habits of sustained international coöperation. Political organization lags behind mechanical progress. A world community may potentially exist, but the psy-

chological sense of being a part of such a community still has to be created. The typical citizen does not like the outside world because he feels that that world "is too full of foreigners."² To the foreigner he has an instinctive aversion because the foreigner is "different." Where hatred of foreigners is deliberately inculcated by government-controlled propaganda, this aversion may become part and parcel of an aggressive nationalistic creed as, for example, in Nazi Germany and Fascist Italy.

THE STATE SYSTEM AND POWER POLITICS

Lacking the will to establish, let alone maintain, an effective political organization on a world scale, the vital points of conflict in the world community are, in the last resort, still resolved by *power politics*. For centuries power politics has been the chief stock in trade of the so-called "sovereign" state system. How this system or, to be more accurate, *lack* of system, came to be what it is, we shall shortly explain. At this point suffice it to say that each of the sixty-odd political units that control the world's population are presumed to possess certain attributes, chief among which are territorial jurisdiction and political independence, or "sovereignty."

In its most general sense, sovereignty connotes legal dominion over a defined territorial area and its inhabitants. This dominion assumes the existence of a governmental system through which the state's authority over territory and inhabitants is exercised. Every sovereign government is free to determine on what conditions, if at all, the inhabitants of other states (i.e., aliens) may be admitted to its territory, live there, and become "naturalized" citizens. Every such government is equally free to adopt economic policies designed to promote the welfare of its citizens—including tariff duties on foreign goods, restrictions on the exploitation of its own natural resources by foreign capital, and control over the sale of its raw materials abroad. By far the most important corollary of state sovereignty, however, flows from the right of self-defense—by the use of force if necessary. Each state may maintain whatever military force, on land or sea or in the air, that it deems necessary to its security. Since the danger of attack obviously depends upon how heavily other states arm themselves, it follows that in proportion as a given country increases its armaments, the more its neighbors will arm in turn. The consequence may be a ruinous competition in instruments of destruction unless, somehow, there is sufficient good sense all round to produce an interstate agreement for the limitation of arms. Yet if any lesson of modern international history is crystal clear, it is that

² See S. de Madariaga, *Theory and Practice in International Relations* (Philadelphia, 1937), chaps. 1-2, for an illuminating analysis of the psychological obstacles to world solidarity.

no state of major importance, with frontiers exposed to powerful neighbors, is ever willing to limit its own military establishment without some other means of assuring its independence.

This fact brings us to the central contradiction of the state system. Since each state has the right to defend its citizens and their property from outside attack, it might appear that states would reciprocally respect the "sovereign" interests of one another. Theoretically, the exercise of such restraint should be a corollary of the principle that all states are *equal* in legal rights and obligations; practically, this legal equality is robbed of most of its meaning (1) because there is no superstate authority to define either rights or obligations when they are in dispute, and (2) because states differ so greatly in material power that the stronger are frequently tempted to take advantage of the weaker. In a dynamic world, moreover, the interests of states, no less than those of individuals, never remain static. When one nation becomes convinced that it must have additional territory for a rapidly growing population, or undisturbed access to additional supplies of raw materials, it may take active steps to satisfy such real or alleged needs. If diplomatic procedures fail, force may be threatened—or applied. In the latter contingency the result may be forcible intervention, seizure of territory or resources, or should there be resistance, war, whether formally declared or not.

So long as the use of war as an instrument of policy is resorted to by one or more major states, it would seem that the vicious circle of power politics could not be broken: insecurity→armaments→increased insecurity→construction of alliances→competitive armaments between combinations of states→a precarious balance of power→intensified insecurity! Eloquent proof of how this circle revolves is afforded by the period of history ending in the catastrophe of 1914-18. International developments since 1933 have provoked a similarly tragic dénouement in the contemporary world drama. Even if, by some miracle, another devastating war had been averted, the diversion of so disproportionate a share of human wealth and energy to unproductive ends would have set back economic progress no one knows how many decades, lowered greatly the standard of living in virtually every country, increased public debts to the point of bankruptcy, and added immeasurably to the instability of the economic system. Paraphrasing the old biblical adage, mankind is now beating plowshares into cannon and, in the cynical language of Herr Goebbels, not merely Germany alone, but many other nations have been forced to choose "guns instead of butter!"

THE STRUGGLE FOR INTERNATIONAL COÖPERATION

Against the stark realities of power politics, international law, at the present stage of its development, offers comparatively little protection. Public international law may be defined as the body of "principles, rules, and customs" governing the relations of states. It may be said to reflect the latent or active desire of states for reciprocity of treatment by other states. It is the product of an uphill struggle by reasonable men to construct a philosophy of interstate relations which would lessen the evils of a sovereign state system.

As international law gradually evolved in the writings of a long succession of jurists after the sixteenth century, this philosophy failed, however, to touch the central problem of international relations, namely, the right of states to make war upon other states. Rather, it attempted to lay down certain rules which would restrict the forms of interstate conflict. Until the late nineteenth century, the content of public international law was concerned fully as much with the conduct of warfare as with the facilitation of peaceful international relationships. This emphasis is strikingly expressed by the great Dutch jurist, Hugo Grotius (1583-1645), commonly called "the father" of modern international law. "I saw prevailing throughout the Christian World," wrote Grotius, "a licence in making war of which even barbarous nations should be ashamed; men resorting to arms for trivial or for no reason at all, and when arms were once taken up no reverence left for divine or human law, exactly as if a single edict had released a madness driving men to all kinds of crime."³ Grotius wanted to reduce the "lawful" justification of war to two situations: (1) the defense of the person or property of a state and (2) the punishment of offending states. As the basis for developing a set of principles which would thus limit the sphere of international conflict, he succeeded in reconciling two divergent schools of thought then prevalent. One of these schools took as the guiding principle of international conduct the so-called "law of nature" based upon such concepts as "right reason" and "divine justice." The other school looked to historic customs and usages for its point of departure and relied greatly upon the *ius gentium* of the old Roman Empire. In the *ius gentium*, which governed the relations of the various parts of this great Empire, there could be found, for example, a definition of the "just causes" of war and procedures requiring a formal declaration of war and peace. From the Roman law of contracts, moreover, there could be derived a basis for international treaty obligations by considering states as "moral persons."

³ In his *Prolegomena*, p. 28, as quoted in J. L. Brierly, *The Law of Nations* (London, 1928), p. 21.

Grotius' contribution was to combine natural or divine law with positive custom as the foundation for a modern "law of nations."

In large part his writings represented a protest against the bloody wars of religion that raged during the seventeenth century. Himself the victim of unpopular religious convictions, he had spent considerable time in a Dutch prison, from which he escaped to Paris in a book box. It was while in exile that his monumental *De jure belli ac pacis* was completed. In the title of this treatise, be it noted, the word *war* is placed before the word *peace*. For, in the mind of Grotius and his successors, war clearly remained a necessary evil. In their opinion, it should, however, be conducted only under the authority of a sovereign and after due notice, in order that the "private" wars of the dying age of feudalism might be no more. There was no intention of depriving the sovereign state of the privilege of resorting to war in order to further what it regarded as "vital interests."

For three centuries following Grotius, an extensive body of legal principles was developed, chiefly through the writings of eminent philosophers and lawyers and the decisions of judges. These principles (1) define what states are, their attributes and jurisdiction, their rights and obligations; (2) lay down procedures for the conduct of diplomatic and consular relations among states and for the peaceful settlement of international disputes; (3) regulate the conduct of war; and (4) fix the status of belligerents and neutrals in time of war. Until the nineteenth century, these principles remained uncoded. They were largely an *ex post facto* rationalization of usages and practices which, while they were tending to become more and more general, never secured unqualified adherence by the entire family of states. The nineteenth century, however, witnessed the rise of a more positive kind of international jurisprudence based upon *treaties*. True, there had been treaties in the earlier period. For the most part, however, they were not lawmaking treaties, but rather official agreements by which wars were terminated, territory was transferred, and indemnities were levied. Such "peace" treaties created new legal rights for certain states and took away old rights from others; but they did not ordinarily lay down general rules of conduct for the future.

[The Congress of Vienna, which marked the end of the Napoleonic Wars, did more than make peace. It classified the diplomatic representatives of states into definite ranks—ambassadors, ministers, *chargés d'affaires*—a classification that has subsequently been accepted by all sovereign states.⁴ This Congress also proved to be the starting point for a long series of international conferences, centering in Europe, by which considerable segments of customary international law have been put into systematic "con-

⁴ For a brief period after the Bolshevik Revolution, Soviet Russia abolished diplomatic ranks but soon found it expedient to restore the traditional hierarchy in its foreign service.

ventional" form. Such, for example, was the conference held in Paris in 1856, following the Crimean War. At this diplomatic conclave, seven major European powers declared in favor of abolishing privateering on the high seas, of exempting from capture in time of war both neutral goods and enemy goods traveling under a neutral flag (except for contraband), and of recognizing naval blockades only when they were effectively imposed. Subsequently, all the important states of the world acceded to this declaration save the United States of America and Spain. At conferences held at Geneva in 1864, at St. Petersburg in 1868, and at Brussels in 1874, a beginning was made toward the "humanization" of the methods of *land* warfare, while at the more widely representative Hague Conferences of 1899 and 1907 this effort was carried still further and initial steps looking toward the development of conciliation and arbitration for the settlement of international disputes were taken. On the other hand, an attempt at the London Naval Conference of 1908-09 to establish an International Prize Court and to strengthen neutral maritime rights during wartime failed because Great Britain, although it had taken the initiative for calling the conference, refused to ratify its decision. Nor, for that matter, did the conventions negotiated at the two Hague Conferences win world-wide acceptance.

In addition to this effort, only partially successful, to regulate warfare and facilitate the non-forcible settlement of disputes, the second half of the nineteenth century saw the inauguration of a considerable number of multilateral agreements designed to further international coöperation for humanitarian, technical, and economic purposes. Illustrative of this type of international "legislation" were the agreements reached at the Conferences of Berlin (1885) and of Brussels (1890), which dealt a serious blow at some of the worst evils of African imperialism (including the repression of the nefarious slave trade). Still more significant of an age in which rapid and cheap communication was attaining world-wide dimensions were the conferences that established the Universal Postal Union (1874) and the International Telegraphic Union (1865)—subsequently expanded to include radio in the twentieth century as the International Telecommunication Union. In the purely technical and scientific field, inter-governmental coöperation brought into being such agencies as the International Bureau of Weights and Measures (1875) and the Central Bureau for the International Map of the World (1913). More broadly humanitarian considerations led to the creation of an International Public Health Office in 1907, an International Opium Commission in 1909, and to the two Berne agreements of 1906 prohibiting night work for women and protecting workers from the harmful effects of white phosphorus in the manufacture of matches. Many other examples of this type of coöperative action, such as the establishment of "rule of the road at sea," might be cited.

Considered quantitatively, the volume of international law and legislation which had arisen by 1914 is impressive. During the preceding half-century, as many as 400 public international conferences were held and from their deliberation issued more than 200 multilateral conventions. Over a score of permanent international administrative agencies, most of them called "unions," had been set up to handle specific problems for the mutual advantage of an increasing number of "sovereign" states. Yet it would be fallacious to interpret this sort of coöperative behavior on the part of such states as connoting any serious diminution of their respective sovereignties. Whenever a state subscribed to one of these conventional agreements, it was always by an act of "free consent." No government could be forced to ratify any treaty, whether it was designed to provide a clearer declaration or codification of existing usages, or whether for the establishment of new forms of positive, peacetime coöperation. The threefold fact that in official international conferences every state had one and an equal vote, and no more; that all formal agreements had to be approved by the unanimous vote of all the participants; and that no government could be bound thereby except by giving its express assent thereto, is eloquent proof of the unchallenged continuance of the sovereign state system. Even though, in adjudicating private property claims, national courts in most states admitted the "jurisdiction" of international law, such states by no means regarded themselves as living *under* international law so far as their vital national interests were concerned.

Engulfing within its vortex twenty-eight countries from all the continents, the Great War of 1914-18 tragically revealed how fragile the nineteenth century framework of interstate coöperation really was. The immediate circumstances leading to this world-wide catastrophe will be examined later. At this point it is enough to say, broadly, that the War was the natural culmination of a power politics built upon the treacherous sands of international anarchy. During the critical days of July 1914, when the peace of Europe hung in the balance, efforts to compel representatives of the major powers to confer around a table, let alone to bring about a pacific adjustment of the Austro-Serbian controversy, proved futile. Bound by alliances and understandings with one another, two rival groups of powers preferred to risk war in order to prevent the so-called "balance of power" from passing to the other side.

Following the horrible nightmare of war, the victorious states endeavored to organize peace on a more stable and just basis. Animated, in part at least, by President Wilson's program, the peacemakers at Paris inserted the Covenant for a League of Nations into the settlements imposed upon the Central Powers. This Covenant provided for a permanent international headquarters, or administrative *Secretariat*; for an annual conference of

the members, the *Assembly*; and for a smaller body, the *Council*, consisting of permanent representatives of the Great Powers, together with non-permanent members chosen from the lesser states in the League. Since the Council was to meet more frequently than the Assembly, it was to act as the chief medium for the peaceful conciliation of interstate *political* controversies. For the adjudication of disputes of a *legal* character, a Permanent Court of International Justice was set up in 1922.

Under the aegis of this new League "system," the conference method of dealing with international matters again came to the fore. During the first decade following the Armistice ten times as many multilateral conventions were negotiated as during the half century prior to 1914. These agreements covered a multitude of subjects—from the regulation of air navigation, radio broadcasting, and the white slave traffic to elaborate arrangements for the investigation and arbitration of international disputes. At Geneva, the home of the young League, an admirably equipped international civil service evolved fruitful research procedures and published volumes of impressive reports on the international phases of social, economic, and technical problems. To the young League, moreover, went the credit for the successful settlement of a score or more of international disputes, chiefly among minor states, which might otherwise have led to conflict. All in all, by the later 1920's, many observers took hope that the beginnings of a stable and peaceful international order were at last at hand.

This view, alas, turned out to be the product of an excessive optimism. The emerging League system suffered from at least four serious deficiencies. First of all, the United States of America, its chief original sponsor, not only refused to become a member, but failed for several years to participate officially in its nonpolitical activities. Second, the ex-enemy states, Germany in particular, were not admitted to membership until the middle 1920's, while the Soviet Union remained scornfully aloof from what it called a "bourgeois alliance" for the furtherance of capitalistic exploitation. Third, and perhaps most important of all, the League was without power of its own to compel revision of the harsh and unwise provisions of the Paris peace settlement, with the maintenance of which it came to be identified by German opinion. Fourth, the League powers, along with the Soviet Union and the United States, could not agree upon any plan for controlling and reducing national armaments which would satisfy Germany's demand for "equality of status" (denied her by the Treaty of Versailles).

Despite the temporary effusion of good will that accompanied the Locarno guarantees of the Franco-German frontier in 1925, and the signing of the Briand-Kellogg "Peace" Pact of 1928, international relations deteriorated steadily after the impact of the world economic depression of the early 1930's. By a series of blows, compounded of ruthless force and diplo-

matic blackmail, three Great Powers—Japan, Italy, and Germany—threw confusion into the ranks of the other League Powers (including, from 1934 to 1939, the Soviet Union). Lacking the full and sustained coöperation of the United States and accorded but half-hearted support by Britain and France, the League system of collective action against aggression failed to work. By then, it was becoming all too clear that the basic assumptions of state sovereignty had not been modified either by the obligations of League membership or by the cluster of non-aggression agreements that had been entered into by various states following the Peace of 1919. Rapidly and ominously, three Great Powers seemed to be reverting to a ruthless form of power diplomacy based upon insidious propaganda, intimidation, and military aggression. An unbridled race in armaments, with the pace set by Hitler's Germany, was once more under way—on a scale several times greater than in pre-1914 days. For the precepts of that international law which had so painfully been built up during the century following Waterloo, there remained only a moral sanction. Never strong at best, international morality did not enter into the calculations of the autocratic governors of the Rome-Berlin-Tokyo "axis."

In the fateful autumn of 1939 the German Nazi régime, no longer able to force its will upon weak neighbors by bluff and intimidation, deliberately precipitated the second general European war of the present century by attacking Poland. This act of aggression immediately brought Britain and France, as guarantors of Polish independence, into the conflict against Germany. The disaster so long feared by people everywhere had at last broken upon a sick world—a disaster the ultimate consequences of which were beyond prediction as these lines went to press.

II

THE STATE SYSTEM

THE HERITAGE OF ROME

To anyone who reflects on the meaning of the preceding pages it will be apparent that the roots of the state system sink deeper and are tougher than most peace advocates care to assume. How is it that the world has come to be "atomized" into political units whose absolutism of competence stubbornly persists in practice, even though lip service be sporadically paid to the ideal of international coöperation?

Not always has social organization on this earth rested on so particularistic a base. Without going as far back in antiquity as the great empires of the pre-Christian era (Babylon, Egypt, Assyria, Persia), we find that the idea of universality, at any rate for Western civilization, was once embodied in two far-flung institutions: the Roman Empire and the papacy. Following their conquest of the Italian peninsula, the Roman legions smashed the power of Carthage, absorbed Spain, brought under their dominion the declining Greek city-states, and destroyed Macedonia. By the second century A.D., Roman power extended from Scotland to the borders of India and from the Danube to the Sahara Desert. Containing a population of perhaps 100,000,000, this magnificent Empire of forty-four provinces established a *pax romana* throughout the Mediterranean world. Once its armies had subdued an alien people, there was no attempt to assimilate the conquered, but rather to take them into partnership. Instead of a dominant Roman *race* emerging, the Empire attained political unity without internal cultural fusion. To the end it remained a congeries of diverse elements, held together by a vast imperial system of communication, military power, and civil administration. Influenced by Greek precedents, Rome had, during the earlier part of its history, developed a kind of "international" law which it used in establishing alliances with friendly states. This law, however, was in no sense designed to favor the ultimate establishment of a society of "equal and independent" political units. From the banks of the Tiber, justice was transmitted by the imperial *praetors* and *legates* to the peoples of the faraway provinces. To be a *civus romanus* meant that one was the

beneficiary of a unified system of government and law, but retained one's local cultural identity. For six centuries, this imperial state produced a peace, an order, and a prosperity such as the world was not soon to see again.

The reasons why the Roman Empire disintegrated have been the subject of much controversy among historians. Whatever the relative importance that should be accorded to internal corruption, decadent administration, or the "barbarian" invasions, suffice it to say that by the fifth century A.D. the last of the emperors to reign in Rome itself lost his throne and the Western Empire ceased to exist.

Not so, however, with the other great institution whose headquarters was Rome—the papacy. With unremitting missionary zeal, the Christian church succeeded in establishing "spiritual" dominion over the invading barbarian tribes. In proportion as the temporal power of Rome waned, the influence of the Catholic church spread outward, carrying with it many of the concepts of law and justice associated with the fading splendor of the earthly Empire. Although new kingdoms were constructed by the warring invaders, the glorious memory of a unified empire lingered in the minds of men. Three centuries after its collapse, Charlemagne, the greatest of the Kings of the Franks, managed to restore a semblance of imperial unity. With the divine blessing of Pope Leo III, the imperial crown was placed upon his head in St. Peter's on Christmas Day, 800 A.D. But Charlemagne's realm proved to be short-lived. In less than a century after his death, it fell to pieces, the western, or French, part separating from the eastern, or German, section. The imperial crown passed to a succession of weak German kings who, in agreement with the papacy, evolved the conception of a "Holy Roman Empire." The bizarre political organization that resulted from this compact was built upon the notion that the control of Christendom should reside jointly in the Emperor, as temporal sovereign, and the Pope, as spiritual sovereign. Far from "Holy" and certainly not "Roman," this double-jointed structure maintained a precarious existence as the successor of the original Roman state until its death was formally decreed by Napoleon in 1806. Long before its ignominious end, however, bitter internal conflict between the papacy and the houses of Hohenstaufen and Hapsburg, to which the imperial crown passed, restricted the effective authority of the emperors to the feudal dominions which they held as German princes. Philosophers might give voice to a nostalgic desire for the reestablishment of European governmental unity, but their pleas had no effect upon events. Throughout the western half of the Continent, feudal fragmentation was setting the stage for the appearance of independent national monarchies whose heads were to pay less and less attention to the temporal pretensions of the Holy Roman Empire.

THE EMERGENCE OF
NATIONAL MONARCHY

For several centuries after the fall of Rome the social organization of Europe remained essentially feudal. As a social system, feudalism was compounded of a localized type of land tenure, economic control, and political government. Hundreds of rival feudal lords held dominion over their respective fiefs—much as though they were private estates. Harassed by marauding bands, the common people could but place themselves under the protection of some feudal noble and become his “vassals.” Each noble—baron, duke, count, or bishop—possessed supreme authority within his own private domain, had his own private court, and maintained his own private army. Gradually, through conquest and marriage, certain feudal lords extended their domains. From the tenth century on, the strongest members of this feudal aristocracy began to found “dynasties” which claimed “royal” right to govern larger and larger territorial areas. For a long time the royal authority of these medieval monarchs was disputed by the more powerful barons in their kingdoms who still insisted that their hierarchical rank in the feudal nobility systems was equal to that of the king. Nevertheless, the process of feudal amalgamation moved steadily forward. Supported by the rising burgher class in the cities, reigning houses, first in England and France, and later in Spain and Portugal, broke the power of the lesser baronage and became full-fledged monarchs of solidified national communities. By the sixteenth century these monarchies had assumed the rudimentary form of modern states.

In the meantime, the beginnings of international diplomacy had appeared in northern Italy. There the development of commerce on something more than a local basis had produced a mosaic of medieval city-states. As trade grew between such city-states as Venice, Genoa, Milan, Pisa, and Naples, and northern and eastern Europe, an elaborate set of rules and procedures was evolved to facilitate commercial intercourse. Temporary diplomatic missions gradually were replaced by permanent legations and embassies. In 1455 Milan established a permanent embassy in Genoa—a precedent ultimately to be followed not only by the other Italian city-states, but also by the rising monarchies in the North. In this medieval state system the ambassador or legate served as the personal agent of his sovereign—king or prince—at the court of another sovereign. His duty it was to look after the interests of his master—by sly bargaining and clever intrigue, resorting, if need be, to fraud and deceit. Accordingly, the development of diplomatic intercourse early became identified with the devious ways of secrecy and espionage, underhanded maneuvering and trickery—all for the glory and prestige of the home government. As befitting the colorful medieval period,

elaborate ceremonialism marked the official behavior of the diplomatic corps, delicate matters of rank and precedence taking on an exaggerated importance.

THE DOCTRINE OF SOVEREIGNTY

It was not for some time, however, that the new royal dynasties of western Europe were to assert claims of *absolute* sovereignty. So long as the church retained general spiritual authority over secular rulers and their subjects, interdynastic relationships continued to be overlaid with considerable subservience to edicts emanating from the papal hierarchy. Indeed, the papacy itself exercised temporal power over its own sizable estates in Italy and asserted claim to even wider reaches of temporal authority. Symbolizing Christian unity, the bishops of the church continued to preside at the coronation of kings, and the Pope himself laid the imperial crown upon the heads of successive emperors. On frequent occasions, the papacy would intervene in the wars of rival monarchs, being able at times to compel a "truce of God" and impose conditions of temporary peace.

The impact of the Protestant Reformation transformed the relations of monarchs, papacy, and empire. As the religious revolt against Rome spread through northern Europe, secular princes sought an ideological justification of the right of their peoples to establish *national* churches free from the control of the Papal See. This justification was found in the doctrine of sovereignty, which became a convenient weapon of defense against Pope and emperor on the one hand, and against obstreperous feudal barons within their own royal domains on the other. It is in the writings of Machiavelli (1469-1527) that the implications of this doctrine were first suggested. In his famous essay on *The Prince*, the celebrated Italian philosopher, himself of noble lineage, set forth in trenchant terms what he conceived to be the actual "power" relations of rival rulers. To Machiavelli is attributed the first use of the term *state* in the modern sense—a term that had formerly referred to an *estate* of the crown. The prince, he argued, was justified in resorting to ruthless force and underhanded diplomacy in order to fortify his position. Only by such a *Realpolitik* could the territorial state achieve strength, unity, and security against other states.

Although Machiavelli had chiefly in mind the miniature city-state system of north Italy, the heritage of his thought was felt beyond the Alps. Machiavelli had been concerned with the absolute sovereignty of one state in its relations with other states. Later in the sixteenth century, a famous French scholar, Jean Bodin, applied the idea as a sanction for internal

absolutism. The authority of the king over his subjects, wrote Bodin, comes from "divine right" and is therefore bound only by the precepts of God. From Bodin emanated the first systematic formulation of the political theory of absolutism which was later used by the Stuarts in England to bolster up their claims to autocratic rule. The notion of divine right, moreover, could be conveniently invoked by the religious reformers in their struggle to break the hold of Rome upon the new Protestant churches. As a result of this double conflict between Protestantism and Papacy, and kings and subjects, there gradually arose, in such countries as England and Holland, where absolutism yielded to limited monarchy, the idea that sovereignty did not reside in the person of an hereditary monarch, but rather that it signified the *independence* of the state as a collective being. From this view it was a natural step to the position taken by Hugo Grotius that state sovereignty ought to be limited by natural law and by such agreements as were made by the government of one state with that of another.

THE STRUGGLE FOR EMPIRE

Despite the efforts of Grotius and his successors to build up a structure of international law based upon this interpretation of state sovereignty, modern international politics came in fact to rest upon a set of power relationships. The three centuries from 1500 to the end of the Napoleonic Wars brought about the full flowering of this system. Out of the welter of religious and dynastic conflict that marked the seventeenth century, additional states were born in north Europe—notably the kingdoms of Sweden and Poland. At the close of the Thirty Years' War the Treaties of Westphalia recognized the independence of Switzerland and the Netherlands. This settlement "stands as a landmark in the absorption of the empire into the European states system . . . all the immediate princes of the empire received the right to make treaties and alliances with princes outside the empire. Their status in the empire was thus converted into status in Europe. The rôle of the emperor followed that of the princes in that his dignity came increasingly to be merely that of one among a number of great European monarchs, and when the dignity was abolished in 1806 the repercussions were slight because the office had long ceased to be associated with power."¹ West of the Rhine a temporal force of far greater substance was soon to appear on the European horizon. This was the empire of the *Roi Soleil*, Louis XIV, whose restless ambition brought France to the fore as the dominant power in Europe. Against Louis were formed coalitions of

¹ R. C. Binkley, "Peace in Our Time," *Virginia Quarterly Review*, Autumn, 1938.

weaker states, led by England, for the purpose of checking French power and restoring some sort of balance in European diplomacy.

Before this struggle could be resolved, a new factor of revolutionary significance entered the scene. The discovery of an *extra*-European world, dating from the historic voyages of Columbus two centuries earlier, had quadrupled the theatre of operations of rival European powers. Their relations at home were now complicated by their struggle for the control of overseas dominions in America and in India. For a hundred years France and England, with their respective allies, engaged in a long series of wars fought simultaneously in Europe and the New World. Without reciting in detail the course of this bitter struggle, its outcome may be briefly summarized as follows: (1) France was largely eliminated as a colonial power and her attempt to consolidate hegemony in Europe was checkmated—at least for the time being. (2) Britain acquired mastery over practically all of eastern North America and the eastern coast of India and established herself as “Mistress of the Seas.” (3) In central Europe there arose a new star in the constellation of Great Powers—Hohenzollern Prussia, while the star of Hapsburg Austria correspondingly sank. (4) Spain’s hope of remaining a formidable colonial power was so undermined that she soon entered upon a period of permanent decline. In the meantime, on the eastern frontiers of Europe, the empire of the Russian Tzars, thanks to such masterful autocrats as Peter the Great and Catherine the Great, emerged from the shadows and forced its way into the “charmed circle” of Great Powers. The Kingdom of Poland lost its independence and suffered humiliating partition among Austria, Prussia, and Russia. As the eighteenth century drew to a close, there were five major powers on the European continent: Britain, France, Austria, Prussia, and Russia, along with a growing number of states of secondary importance.

Then came two epochal events whose implications for modern international relations were destined to be profound. The first of these events was the American Revolution, as a result of which a potentially important non-European state appeared on the horizon. Although too weak and too far removed geographically from Europe to count for much in the game of power politics for more than a century, the establishment of the American federal union presaged the successful revolt, by the 1820’s, of virtually all the other colonial communities in the American hemisphere. Thus were added to the growing “family” of states nearly twenty Latin-American republics which, under the protection of the Monroe Doctrine and Britain’s benevolent self-interest, managed to escape further European control.

The second event was the French Revolution—a world-shaking upheaval that first let loose into the European world the dynamic creed of national self-determination by popular will, and later gave rise to a new

imperial system under Napoleon Bonaparte. In its initial sense, the revolt of the Third Estate in France epitomized the thrust for power of the rising bourgeois class and the destruction of the landed nobility of the *ancien régime*. But the established orders in the rest of Europe, terrified by the sanguinary excesses that culminated in the execution of King Louis XVI, would not allow the Revolution to run its course in France. By the middle 1790's the new French Republic found itself involved in war with nearly the whole of Europe. It was this international struggle that precipitated into the crucible of affairs a young military commander by whose genius the European state system was temporarily to be replaced by an imperial system built somewhat on the old Roman model. At its apogee in 1810, Napoleon's realm embraced a greatly enlarged France, together with a cluster of dependencies stretching from the kingdom of Naples on the south to the grand duchy of Warsaw on the east. Following Napoleon's deathblow to the ramshackle Holy Roman Empire, the western German principalities were organized into a French protectorate as the Confederation of the Rhine. Austria sank to a second-rate power and Prussia lay prostrate at Napoleon's feet. On the thrones of Italy, Spain, Holland, Denmark, and Sweden sat his blood relatives or faithful generals. Only England and Russia escaped absorption into Napoleon's Continental system.

The Emperor's overwhelming ambition was, however, to prove his undoing. He made the fatal blunder of attacking Russia. His ill-fated Moscow campaign so sapped his military strength that by 1814 he was defeated and forced to abdicate to a formidable coalition which included Russia, England, Prussia, and Sweden. Banned to Elba, Napoleon escaped, returned to France, and took up the battle anew—only to be crushed once and for all at Waterloo.

NATIONAL "SELF-DETERMINATION" SINCE WATERLOO

At the Congress of Vienna, Napoleon's victors proceeded to restore—or tried to restore—old dynasties to power, but the foundations of European society had been too deeply shaken by the ideology of the French Revolution to permit any permanent return to the old order. The Revolution, so its leaders had declared in 1792, was to "assist all peoples who wish to recover their liberty." In a measure frontiers might be redrawn on the basis of "legitimacy" of claim to territory, but a new national consciousness was stirring the peoples of western and central Europe. In part this new nationalism was a by-product of the rise of bourgeois democracy; in part it derived from the impact of the new mode of production and transportation ushered in by the Industrial Revolution of the late eighteenth century.

In any case, the success of the "Holy Alliance," under the direction of the Austrian Metternich, in crushing one popular uprising after another—in Belgium, in Spain, in Poland, in Italy—proved to be relatively short-lived. By the 1830's there began a succession of national revolts which was to continue throughout the nineteenth century and on into the twentieth. After nine years of struggle, Belgium saw its independence from Holland recognized by the powers in 1839, when its "inviolable" neutrality was likewise guaranteed. The decaying Ottoman Empire, yielding to pressure from Russia, France, and England, gave the Greeks their freedom in 1832. Twenty years later, when Russia threatened the "Sick Man of Europe," Britain and France fought the Crimean War against the Tzar and prevented him from intimidating Constantinople. Again, in 1877, the Russians almost went to battle against Turkey on the pretext of aiding their Slavic brothers still subject to Turkish rule. Once more the Powers intervened to thwart Russia's imperialistic pretensions. By the Treaty of Berlin (1878), the autonomy of Bulgaria was recognized, while Rumania, Serbia, and Montenegro were accorded outright independence. In 1908, Bulgarian independence likewise became an established fact and five years later, after the Balkan Wars, Albania was accorded statehood.

Not only were these new Balkan states emerging as a consequence of the disintegration of the Turkish Empire, but the second third of the nineteenth century marked the unification of scattered political fragments into two major national states—Italy and Germany. For three decades following the Napoleonic Wars, the peninsula of Italy meant little more than "a geographical expression." Partly divided into seven petty states and partly consisting of provinces under the Austrian yoke, Italy needed only the adroit diplomacy of Cavour to throw off Austrian control and to become, by 1870, a united kingdom under the House of Savoy. Contemporaneously, Bismarck's "blood and iron" policy achieved the unification of Germany under the aggressive leadership of Prussia, both Austria and France suffering severe military defeat in the process. Two powerful national states thereby thrust themselves upon the center of the European political stage, while the polyglot Dual Monarchy of Austria-Hungary faced the ominous prospect of disruption because of nationalist separatism among the Poles, the Bohemians, and the South Slavs within its own borders.

The last generation prior to the World War of 1914-18 saw the rise of two other Great Powers—the first one European and the second Asiatic in origin. After a century of continental expansion, the United States became infected with the imperialist virus. Whether by deliberate intention or not, the war with Spain in 1898 brought to the North American republic substantial possessions in the Caribbean and the western Pacific. The Hawaiian Islands were simultaneously annexed and the march of "dollar diplomacy"

throughout the whole Caribbean area soon got under way. Because of the vast resources, advanced industrial development, and rapidly growing world trade of the United States, its promotion to the rank of a Great Power could not in any event have been long delayed. Across the Pacific, the "Empire of the Rising Sun," which had been opened to western commerce by Commodore Perry's expedition in 1854, shook off its feudal dress and adapted the machine economy of the West to an Oriental environment with amazing success. Victorious in its first quest for additional territory against China in 1894, Japan forced Russia from South Manchuria and the Liaotung Peninsula a decade later. By 1902 the rising power of the Japanese in Far Eastern affairs had won recognition from the British in the form of an Anglo-Japanese alliance.

By the dawn of the present century the sphere of the European state system had indeed become world-wide. A new wave of colonial imperialism, beginning in the 1880's, resulted in the partition of Africa into European colonies and protectorates. Most of these same powers found themselves competing for spheres of economic influence in China—a slumbering giant itself destined ere long to be torn internally by national revolt. A frantic quest for trade and investment opportunities, for naval bases and control of maritime routes, was straining the ingenuity of national diplomats in their effort to maintain a precarious "balance of power"—and along with it peace!

After the Franco-Prussian War, a system of counteralliances gradually replaced the so-called "Concert of Europe" of the earlier nineteenth century. Although ostensibly defensive in character, these alliances inevitably provoked suspicion and fear as they mutually augmented their military and naval strength. On the one side stood the Triple Alliance of Germany, Austria-Hungary, and Italy—the last named state having thrown in its lot with the Central Powers because of resentment over French expansion in North Africa. On the other side stood the Triple Entente of France, Russia, and Britain, created by "checkerboard" diplomacy in an attempt to offset the growing commercial and naval power of Germany. Mention has already been made of Britain's alliance with Japan, designed to give protection against German advance in the Far East. If the United States held aloof from these formal political commitments, it was hardly because its economic interests had not assumed world proportions, but rather because America clung to an emotional faith in Thomas Jefferson's warning against "entangling alliances" with non-American powers. •

Following a decade of diplomatic tension, the unstable equilibrium snapped in the summer of 1914 and the most destructive war in history rent the world asunder. Before the holocaust was over, as many as twenty-eight "sovereign" states were drawn into the maelstrom, including all of

the major European Powers, Japan, the United States, China, and eight Latin-American countries. Deserted by Italy, and aided only by Bulgaria and Turkey, the two remaining members of the Triple Alliance held at bay for over four years the most formidable aggregation of economic, military, and naval power ever before assembled. Had it not been for the intervention of the United States in 1917, the chances are that Germany would have emerged victor, or, at the very least, that there would have been a stalemated peace. But America's strength more than counterbalanced the disintegration of Tzarist Russia, which, after the Bolshevik Revolution, accepted the humiliating Peace of Brest-Litovsk with the expectation that it would be but the prelude to the spread of *intranational* Marxist revolutions throughout the European continent. Although, as it turned out, this expectation was not realized, there were times, during the first years after the Paris peace settlement, when it looked as if most of central Europe might be drawn within the orbit of the Third International.

Few, indeed, of the peacemakers of 1919 had any adequate comprehension of how profoundly the war had weakened the foundations of social and economic order. In large measure the victorious European powers, in particular France, were obsessed with the idea of consolidating a state of affairs in which Germany could never again menace the security of Europe. Yet by imposing such drastic conditions of peace upon the Germans as to nourish among them a psychopathic urge for revenge, the Allies sowed the seeds of a fanatical nationalism which, only fourteen years later, made Adolf Hitler the dictator of the Third Reich, upset the entire Versailles *status quo*, and wrecked, for the time being at least, the attempt to build an orderly system of international coöperation on the principles of the League Covenant. The roots of state sovereignty and power politics, set in the cement of a new struggle by the totalitarian powers for their "place in the sun," seemed by the end of the 1930's as tough as they were when the world burst into flame a quarter of a century earlier. Had mankind learned nothing from that horrible experience? Many there were who were ready to think so.

THE WORLD OF STATES TODAY

The turbulent period since the Armistice of 1918 has witnessed the birth of several new states, the complete disappearance of four, and the subjection of several others to a condition of virtual "vassalage" to their powerful neighbors. The war of 1914-18 precipitated the disintegration of the old Austro-Hungarian Empire. From its ruins were constructed the "succession" states of Austria, Hungary, and Czechoslovakia, while con-

siderable portions of its territory were transferred by the peace treaties to Yugoslavia and an enlarged Rumania. The Paris peacemakers also sanctioned the creation of a new Polish state by giving it former Russian Poland, Austrian Galicia, a part of German Upper Silesia, and a corridor to the Baltic Sea that severed East Prussia from the rest of Germany. On the northwestern borders of Soviet Russia, a cluster of small Baltic states—Finland, Estonia, Latvia, and Lithuania—were accorded legal recognition by the Powers. Shorn of its non-Turkish territories, what was left of the Ottoman Empire was converted into a national republic devoted to a far-reaching program of “westernization” under the dynamic leadership of Kemal Atatürk. In 1922, Egypt, which since 1914 had been a protectorate of Great Britain, was granted statehood and admitted fifteen years later to the League of Nations. By a somewhat similar evolution, Iraq, which in 1920 had been assigned to Britain as a mandated territory, was received into the family of states in 1932 and likewise became a member of the League.

Contrariwise, the black Empire of Ethiopia suffered the vicissitudes of admission to the League in 1923 and conquest by Mussolini’s fascist legions only thirteen years later. In the Far East the Japanese converted the Chinese province of Manchuria into the puppet state of Manchukuo under Japanese tutelage. What will be the status of the rest of north and central China will depend upon the ultimate outcome of the struggle of Japan to dominate China—a struggle that has been intermittently in process since 1931. The achievement of German *Anschluss* with German-speaking Austria, in March 1938, effectively reduced the latter state to the level of a Nazi province, while the forced cession of Sudetenland to Germany in September, followed by the transfer of considerable border areas to Poland and Hungary a month or so later, removed the substance of Czechoslovak independence. Came another March (1939) and Hitler had converted Bohemia and Moravia into a German protectorate and forced Slovakia into the political orbit of the Reich. A few days later, on Good Friday, Mussolini marched his fascist legions into little Albania and annexed it to the Kingdom of Italy.

In considerable degree, these changes in European boundary lines and sovereign jurisdictions were based, professedly at least, upon the principle of ethnic and linguistic “self-determination.” At Paris it was this Wilsonian slogan, broadly construed, that determined the redistribution of most national minorities. Where, for strategic or political reasons, the principle was disregarded—as, for example, in the case of the refusal to allow German Austria to join the German Reich, and the inclusion of 3,500,000 Sudeten Germans within Czechoslovakia,—aggressive Nazi diplomacy later succeeded in overturning the decisions of the Paris Peace Conference. To date, however, it is significant that 250,000 German-speaking inhabitants of the

South Tyrol remain subject to Fascist Italy. For reasons of high politics, the time had not yet come when Hitler could safely demand their absorption into "Greater" Germany.²

One other change in the composition of the state system, of quite a different character, has reached full fruition since the World War of 1914-18. This is the evolution of the British Dominions from the level of colonial dependencies to what is for most purposes complete statehood. Beginning as far back as the 1880's, this evolution has been marked by successive grants of autonomy, first in internal affairs, and later in foreign affairs, by the British Imperial Government, to Canada, Newfoundland, Australia, New Zealand and the Union of South Africa. A long series of imperial conferences, covering a period of over forty years, culminated in 1931 in the Statute of Westminster. This agreement officially proclaimed Britain and the Dominions to be "autonomous communities within the British Empire, equal in status, in no way subordinate one to another in any aspect of their domestic or external affairs, though united by a common allegiance to the Crown, and freely associated as members of the British Commonwealth of Nations." Within this category the Irish Free State (in 1937 renamed Eire) must also substantially be included. A century of bitter struggle for Irish "home rule" ended in 1921 with an Anglo-Irish treaty by which all Ireland except Ulster was accorded a self-governing status. The Dominions, including Eire, may now make commercial treaties with other states; are free to send and receive diplomatic representatives; and have become full-fledged members of the League of Nations. On matters of general foreign policy, it is understood that consultation between the British and the Dominion governments should precede action, though in recent instances this rule appears not always to have been observed. In respect to the situation when Great Britain is at war, the status of the Dominions still presents legal difficulties. Some of them, notably South Africa, have declared that they would reserve the right to decide for themselves whether they should become cobelligerents with Britain or remain neutral. Within a week, however, after Britain declared war on Germany in September 1939, all four of the Dominions followed suit, only Eire remaining officially neutral. For military and naval defense, there is a joint Imperial-Dominion system of which London bears the major share of the costs and controls the technical direction.

If we look at the present-day state system as a whole, one striking fact invites attention: the sixty or so separate "sovereignities" that gird the

² In July 1939, according to press reports, it appeared that Hitler had agreed with Mussolini not to seek the extension of German jurisdiction over the South Tyrol. At any rate, the inhabitants were given the unpleasant option of migrating into German territory or remaining Italian subjects.

earth differ tremendously in political and material strength, despite their "equality" of status in terms of international law. Realistically considered, a sort of hierarchy of states may be said to exist. At the top are some seven states which constitute the contemporary "Great Powers" group, Austria-Hungary having disappeared from this privileged class as a result of her disruption in 1918. Although they are themselves marked by substantial disparities in area, population, natural resources, industrial development, and military strength, each of these powers is in a position to "apply more pressure than the majority of states in order to make its will prevail. The test, [of being a Great Power] in other words, is not according to the relative degrees of virtue or happiness or culture or any other kind of well-being or quality of living but one of force—force raised indeed above the brute stage by the application of intelligence, discipline, and scientific method, but nevertheless, in essence, a material rather than a spiritual manifestation."³ Five of these Great Powers control colonial possessions geographically detached from the home state, while the sixth, the Soviet Union, has absorbed a cluster of adjacent non-Russian territories into the Soviet federal system, and the seventh, the German Reich, is maneuvering to regain its former African possessions (and new ones as well!) and to establish an indirect hegemony over non-German territories stretching from Norway to the Mediterranean.

According to the latest available estimates, the seven Great Powers rank in population and area as shown in Table I on page 28.

In the aggregate, these seven Powers, along with their colonial dependencies, account for more than half of the world's population and about the same proportion of its total land area.⁴ If economic resources were taken as the basis of measurement, the preponderance of wealth controlled by these seven major aggregations would be even greater—probably as much as four-fifths of the world total. The United States and the British Empire alone control nearly three-fourths of the world's production of minerals. Such a tabulation would, however, reveal how far behind the two Anglo-Saxon Powers is the so-called "Have-Not" bloc of Germany, Italy, and Japan on the economic scale, both in the absolute sense and in proportion to their population. From the standpoint of potential wealth, the Soviet Union ranks close to, if it does not equal, the United States. As for Europe proper, where five of the seven Great Powers have their capitals, Great Britain, France, and Italy have substantially the same population of slightly over

³ A. Zimmermann, *The League of Nations and the Role of Law, 1918-1935* (London, 1936), p. 81.

⁴ If India, which now enjoys a limited autonomy within the British Empire (although at the same time belonging to the League) is excluded, the population coverage of the Great Powers shrinks to 794,000,000; or about 37 per cent of the total—still an impressive figure, however.

40,000,000. The population of the German "Third Reich" is now more than double that of France.

No satisfactory criteria exist for classifying the remaining fifty to sixty states into well-defined groups. Neither population nor territorial extent provides a reliable index of the relative influence of the lesser states in world affairs. If this were true, China, with 450,000,000 inhabitants and a huge land area, would surely have to be reckoned as a Great Power. In actual fact, it has been the victim of widespread imperialistic exploitation, first by the Western Powers, and now by Japan. With a population of 50,000,000, Brazil, because of its geographic detachment from Europe, has, up to the present, played a less important rôle than Poland, whose population is only 34,000,000. Left only with the faded glory of a lost empire, war-torn Spain, with 25,000,000 inhabitants, served from 1936 to 1939 as the "football" of European power politics. On the other hand, two small European states, Belgium and Holland, have an importance out of all proportion to their small populations in Europe (around 8,000,000 each) principally because

TABLE I
POPULATION AND AREA OF THE SEVEN GREAT POWERS ⁵

Country	Total Population	Per Cent of World Population	Per Cent of World Land Area
British Empire (excluding the Dominions and Eire)	485,000,000	22.9	23.2
Soviet Union	175,000,000	8.2	14.3
United States of America (including all noncontinental possessions)	140,000,000	6.7	7.6
Japanese Empire (including Manchukuo)	122,000,000	5.8	1.1
French Republic (including all colonies and protectorates)	106,000,000	5.0	8.4
German Reich (including former Austria, Memel, and Czechoslovakia) ..	88,000,000	4.1	0.5
Italian Empire (including Albania)	52,000,000	2.5	2.7
GRAND TOTALS	1,168,000,000	55.2	57.8

⁵ These calculations are based upon the *Statistical Year-Book of the League of Nations, 1937/38* (Geneva), pp. 16-21, account being taken of German and Italian acquisitions from the beginning of 1938 to September 1939, but not of the military occupation of Polish or other territory by Nazi Germany and Soviet Russia since the latter date.

they have managed to retain valuable colonial possessions in Africa and the East Indies respectively.⁶ In a qualified sense, the same observation may be made of little Portugal, although its African colonies are far less important than either the Belgian or Dutch possessions. Yet all three of these secondary states have held on to their colonial "empires" only by the sufferance (or benevolence?) of Britain and France.

As the population ladder is descended, one discovers as many as forty-two states with less than 10,000,000 inhabitants each and no colonies.⁷ The population of seven of these lesser states falls below a million persons; namely, Paraguay, Nicaragua, Costa Rica, Oman, Panama, Iceland, and Newfoundland. New York State alone, with some 12,000,000 inhabitants, almost equals the combined population of Sweden, Norway, and Switzerland, and exceeds that of nine Central American and Caribbean states. Indeed, eleven of the constituent members of the American federal union have larger populations than any of the twenty-one smallest states in the international family. Similar comparisons could be made as to agricultural or industrial wealth.

Belonging in a class apart and defying any simple classification are a number of tiny principalities representing vestiges of the old feudal system. Located in Europe, this group includes Luxembourg, Monaco, San Marino, Liechtenstein, and Andorra. Too small and too weak to support the apparatus of full state independence, yet not entirely absorbed into the jurisdiction of larger adjacent states, these principalities exist economically and diplomatically as subordinate appendages of their larger neighbors, but have full autonomy, under their own ruling "dynasties," in so far as internal affairs are concerned.

Another entity falling in a doubtful category is the City of Danzig and surrounding territory. At the Paris Peace Conference, this old Baltic port, located at the mouth of the Vistula river and having a German-speaking population of around 400,000, was made a "Free State" under the protection of the League of Nations. Dependent at that time upon the use of Danzig harbor for access to the sea, Poland was assured freedom of transit and active participation in the control of the Port of Danzig, including its foreign relations. Despite intermittent controversy between the Polish and Danzig governments, the League High Commissioners were able to adjust matters fairly well until the Nazi party got control of the city's politics in 1931. Ever since then, Danzig has been the object of an

⁶ The Belgian Congo, for example, not only exceeds the homeland in population, but embraces an area eighty times larger; while the Dutch East Indies are eight times greater in population and fifty-six times greater in area than Holland itself.

⁷ One minor exception to this observation is necessary: Denmark, with a population of 3,700,000 in Europe, owns bleak and sparsely inhabited Greenland.

aggressive propaganda campaign for annexation to the German Reich, the League's authority having been reduced to impotency. Finally, by 1939, the refusal of Poland to yield to the German demand for complete control of Danzig (along with the Polish Corridor) caused the Reich to invade Poland by military force.

The status of Vatican City, the home of the papacy, presents unique features. Until 1870, the Pope, as ruler of certain Roman states in central Italy, was recognized as a temporal sovereign by all Catholic powers. In 1871, however, the newly united kingdom of Italy moved its seat of government to Rome and enacted the Law of Guarantees which, while it safeguarded the independence of the Holy See, stripped the Vatican of temporal sovereignty. The Pope refused to recognize the provisions of this law and became a voluntary prisoner in the Vatican. Nevertheless, many states continued to send diplomatic representatives to the Papal See, while the latter maintained its official legates at the capitals of the principal Catholic states. In 1929, the long deadlock between the papacy and the Italian government was ended by the Lateran Treaty. This agreement recognized the exclusive jurisdiction of the Pope over Vatican City, while the latter, in turn, agreed no longer to contest the temporal sovereignty of Mussolini's government over the rest of Italy. Italy is now represented at the Vatican by an ambassador—as are twenty or more other states. With an area of only 109 acres and a resident population of but 1000, Vatican City constitutes the smallest “independent” realm in the world. It has its own private “defense” force, the famous Swiss guard; maintains its own postal system; and is of course the recipient of large revenues from the Catholic church in many countries. Upon frequent occasion, moreover, the Pope issues proclamations both on international and on national politics which, far more by reason of his position as head of a great international Church than by his temporal “sovereignty,” command attention throughout the Christian world.⁸

In concluding this brief survey of the present-day state system, it is important once again to emphasize the fact that legal sovereignty does not necessarily mean the absence of all external control. Nor does it in fact connote the same degree of independence of action for all states. Certain small states, such as Egypt and Iraq in the Near East, and Panama in the New World, are obliged to pursue foreign policies acceptable to the Great Power with which they are bound by special treaty arrangements. They know full well that their “independence” can be maintained only on that condition. There are other states, such as Switzerland and Belgium, which

⁸ See Joseph Bernhart, *The Vatican as a World Power* (New York, 1939), and C. C. Eckhardt, *The Papacy and the Secularization of Politics* (Chicago, 1936).

have been "neutralized" by international agreement. Still others have at one time or another served as more or less exclusive spheres of influence for imperialistic nations. China, Turkey, and Persia may be cited in this connection. During the heyday of American "dollar diplomacy" (1905-31), certain Caribbean states—Cuba, Nicaragua, Santo Domingo, and Haiti in particular—were forced to bow to varying degrees of financial and military control by the United States. Nor has Mexico at times been free from powerful pressure from its northern neighbor.

From the materialistic standpoint, states actually enjoy *unequal* degrees of "sovereignty," depending on their strategic location, economic resources, industrial importance, or military strength. Yet, regardless of its position in the hierarchy, every state to a greater or lesser degree treasures the thing called "prestige." The more powerful a state is, the more ambitious it is likely to be and the more apt it is to seek an enhancement of its prestige at the expense of rival states, or, at the very least, the more desirous it will be of suffering no diminution of its existing prestige. Power and prestige—these are the handmaidens of a system of international relations which, when other methods fail, does not hesitate to threaten or employ organized violence as an instrument of policy.

THE ORGANIZATION AND FUNCTIONS OF DIPLOMACY

Ever since the emergence of permanent diplomatic machinery among the Italian city-states of the fifteenth century, diplomatic negotiation has served as the normal method by which states handle the flow of controversial situations that mark their day-to-day relations with one another. The term *diplomacy* "is derived from the Greek verb 'diploun' meaning 'to fold.' In the days of the Roman Empire all passports, passes along imperial roads and waybills were stamped on double metal plates, folded and sewn together in a particular manner. These metal passes were later called 'diplomas.' At a later date this word 'diploma' was extended to cover other and less metallic documents, especially those conferring privileges or embodying arrangements with foreign communities or tribes."⁹ The earliest English use of the word *diplomacy* dates from the middle of the seventeenth century, by which time a general system of permanent embassies had been established in Europe. In Chapter I we indicated how this system gradually became standardized by custom. It will be recalled, moreover, that by 1815, at the Congress of Vienna, the powers agreed upon an official order of precedence for diplomatic agents. This action merely gave formal

⁹ Harold Nicolson, *Diplomacy* (London, 1939), p. 26.

sanction to what was by then fairly general practice.¹⁰ States maintaining friendly relations with one another signalize the fact by exchanging diplomatic agents, ordinarily of the same rank. In official terminology, these agents act as "chiefs of mission" to the foreign states to which they are assigned by their home governments. When official missions are maintained by any two states, they are said to have "diplomatic relations" with each other. Whenever it is desired to dispatch a new ambassador (or minister) to a foreign capital, the sending government sounds out the receiving government in advance to see if the proposed appointee is *persona grata*. Whenever, for any reason, such as war or the desire to withdraw or withhold recognition of a government, one state decides to terminate diplomatic relations with another, the usual procedure is to recall the chief of mission, or he may be dismissed, i.e., "given his passports," by the government to which he is accredited. The resultant situation is called the "severance of diplomatic relations," which may or may not be succeeded by war. So long as this situation continues, such official business as may have to be conducted between the two governments is ordinarily transacted through the diplomatic machinery of some mutually friendly third state.

In addition to the diplomatic branch of national foreign services, a network of consular representation has evolved. Indeed, the consular service is older than the diplomatic. For the most part, the legal status of the former service rests upon bilateral treaties, along with the laws and regulations of the appointing state. Descending the hierarchy, consular personnel is classified by rank as follows: consul general, consul, vice-consul, and consular agent. While embassies and legations are to be found only in the capitals of independent states (including the Vatican), consulates are maintained in all important centers, both inland cities and seaports, with which there is sufficient commercial business to warrant such. All told, according to an estimate made in the 1930's, nearly 35,000 consular representatives were then in active service around the world.¹¹

Although, from the standpoint of administrative organization, the diplomatic and consular branches of national foreign services are ordinarily kept

¹⁰ Diplomatic representatives are ranked in two broad classes: (1) ambassadors, papal legates and nuncios, envoys, and ministers, who present their letters of credence directly to the sovereign head of the state to which they are accredited; and (2) *chargés d'affaires*, of lower rank, who are accredited to ministers of foreign affairs. Ambassadors head embassies, while ministers head legations. Below the grade of *chargé d'affaires* come counsellor of embassy (or legation), 1st, 2nd, and 3rd secretaries and *attachés*—in that order.

¹¹ In 1939, the United States maintained seventeen embassies and thirty-seven legations in foreign capitals, along with sixty-four consulates general, 185 consulates, four vice-consulates, and twenty-five consular agencies. At that time, this country had nearly 900 consular representatives abroad, while receiving over 1400 foreign consuls at home. See the latest edition of the *Register of the Department of State* (Washington, D. C.) for detailed information on the American Foreign Service setup.

distinct, many states have in recent years more or less completely amalgamated the personnel of the two services for purposes of assignment and promotion. Since the Rogers Act of 1924, this has been the case with the American Foreign Service. Career Foreign Service officers are classified hierarchically by grade, with a minimum and maximum salary range for each grade. Up to the rank of consul general on the one side, and counsellor of embassy on the other, interchangeability of assignment holds. For the lower grades, it is now the practice to issue dual commissions authorizing Foreign Service officers to exercise both diplomatic and consular functions.

During the twentieth century, the widening area of economic relations between states has led to the establishment by certain countries of a special foreign trade promotion service. Usually, this service functions under the joint control of the ministries of foreign affairs and commerce.¹² Nowadays the major powers also include in their foreign service establishments a considerable number of officials who represent the interests of treasury, agricultural, and labor departments in the larger foreign capitals. Military and naval attachés constitute a further auxiliary staff of most embassies and legations. "Press" attachés are a recent development in some of the major embassies.

While on assignment abroad, diplomatic officers enjoy special immunities that substantially remove them from jurisdiction of the government to which they are accredited. These immunities include freedom from arrest for acts under civil and criminal law, from giving forced testimony, from suits in civil actions, from the seizure of property, and from local taxation. Although customary international law now sanctions these immunities, they hark back to the notion that no state has the right to enforce "upon a foreign sovereign or his agent the local law." As a corollary of this view, the physical quarters of embassies and legations are "inviolable," i.e., they are legally an extension of the sovereign territory of the home state. Not only the person of the diplomat, but his family as well, is the beneficiary of the immunities listed above. Consular immunities, although generally granted, are less extensive and less well defined than the immunities enjoyed by diplomatic representatives. The latter, moreover, are entitled to certain ceremonial honors and marks of respect not ordinarily extended to consuls. The heads of mission, secretaries, and attachés stationed in each capital form collectively the "diplomatic corps." The diplomatic representa-

¹² Administrative difficulties arising from this dual system of control caused President Roosevelt, in 1939, to place the auxiliary economic representatives of the United States abroad under the jurisdiction of the State Department. For informational purposes, however, the Department of Agriculture maintains an Office of Foreign Agricultural Relations, just as the Bureau of Foreign and Domestic Commerce still functions in the Department of Commerce.

tive of ambassadorial rank longest in service at a given capital acts as the "dean" of the corps. As such, he serves as the mouthpiece of his colleagues on ceremonial occasions and for the defense of their privileges and immunities. The title of "excellency" is officially accorded to ambassadors both orally and in written communications, although it is given only by courtesy to ministers.

Thus far we have been speaking of the "field" organization of diplomacy. The central switchboard of every national foreign service establishment consists of a special government department in the national capital—a department usually called the Ministry of Foreign, or External, Affairs, or, in the case of the United States, the State Department. The head of this department represents the sovereign in his official relations with other sovereigns. In most countries, the foreign minister outranks other departmental chiefs, chiefly because it is his duty to defend the country's interests as against the outside world.¹³ To aid in the performance of this duty, the minister of foreign affairs is flanked by a professional staff. The organization of this headquarters staff varies from country to country. Typically, it embraces both functional and territorial divisions. The functional divisions have to do with matters of internal housekeeping (personnel, budget, buildings and grounds, handling of communications, translation, decoding, care of archives, etc.), as well as the issuance of passports, legal advice, the drafting of treaties, and the negotiation of economic agreements. The territorial divisions are primarily informational in character. It is their business to sift the flow of reports from diplomatic and consular posts dealing with a particular region, e.g., Latin America or the Far East, and to acquaint the minister and his assistants with conditions in that area. The organization of the American State Department, shown on the diagram on pages 30-31, illustrates the multiplicity of functions that nowadays devolve upon the foreign office of a great state.¹⁴

No national government post demands a more unusual combination of qualities of its occupant than that of foreign minister. His task, observes Sir Alfred Zimmern, is to "assimilate the reports of his agents and thus to survey the entire world situation at any given moment, appreciating its

¹³ Under American law, the Secretary of State stands first in succession to the Presidency in the contingency that both the President and Vice-President should resign, die, or be removed from office by impeachment.

¹⁴ For detailed accounts of national foreign office organization, see G. H. Stuart, *American Diplomatic and Consular Practice* (New York, 1936), chaps. IV-VI; Sir John Tilley and S. Gaseless, *The Foreign Office* [British] (London, 1933), and Paul Allard, *Le Quai d'Orsay* (Paris, 1938). The recent reorganization of the American Department of State is described by A. C. Miller, Jr., in "The New State Department," *American Journal of International Law*, July 1939. B. D. Hulen's *Inside the Department of State* (New York, 1939) is a readable, popular account by a veteran Washington correspondent.

dangers and realizing the possibilities open for useful action. He must therefore acquire and cultivate a sense at once of the complexity and simultaneity of international affairs. This is a severe demand: many professions develop a sense for the complexity of things and a capacity for unravelling them in detail; others, such as journalism, provide a constant sense of the variety and multiplicity of the world's problems. But to hold both in mind at the same time and to add to that the practical gift which can use them as materials for the working out of a national policy is a rare accomplishment. Foreign Secretaries, it may be said, are never born, and under modern conditions are seldom perfectly made."¹⁵ Indeed, the exigencies of domestic politics not infrequently thrust into foreign offices politicians whose training, experience, and outlook fall far short of the requirements suggested by Sir Alfred. When such a situation prevails, the prime minister, president, or dictator will often be his own foreign minister—in fact, if not in form. So far as the totalitarian states are concerned, this is obviously the case. Or, if the official head of the foreign office is weak or poorly equipped for the job, and the chief executive happens at the moment to be engrossed in domestic policy, important decisions on foreign policy may by default gravitate to the foreign office bureaucracy—a bureaucracy, in many instances, whose attitudes cannot help being influenced by the spirit of caste, secretiveness, and noncoöperativeness that form the traditional background of the professional diplomat. Here, indeed, is a dilemma which will become all the more obvious when we observe the inherent limitations of diplomatic negotiation as a means of adjusting international disputes on the basis of peace and justice.

Considered broadly, the functions of a national diplomatic establishment are (1) to protect the personal and property interests of citizens abroad, and (2) to act as "the eyes and ears" of the home government in the conduct of political relations with other governments.¹⁶ The first function, which is the *raison d'être* of the consular service, includes a wide range of operations. Some of these are routine in character, such as the issuance of passport visas, the registration of births and marriages, the certification of invoices of goods, the settlement of the estates of nationals dying abroad, and the provision of notarial service to citizens residing in foreign countries. A second group of activities, chiefly of value to exporters and importers, embraces the preparation of reports on trade conditions and answering inquiries about marketing opportunities. In the third place, both con-

¹⁵ From *The League of Nations and the Rule of Law, 1918-35* (New York, 1936), p. 25. By permission of The Macmillan Company, publishers.

¹⁶ The standard treatise on diplomatic usage is Sir Ernest M. Satow, *A Guide to Diplomatic Practice* (2nd rev. ed., London and New York, 1922). Nicolson, *op. cit.*, chaps. III-VII, X, may also be consulted with profit.

sular and diplomatic officers perform various protective services, some of them pertaining to seamen, some to travelers, and others to permanent residents abroad. If a tourist is the victim of discrimination or attack, and fails to secure justice from local officials, he may appeal to his consul to intervene in his behalf. Indeed, consular officers are constantly being besieged with myriad requests for assistance from their fellow countrymen—from forwarding mail to giving information about places to shop!¹⁷

Seldom does the foregoing activity give rise to serious political controversy. It is rather in the clash of vital national interests, chiefly territorial and economic, that organized diplomacy comes into full play. For the handling of such questions it resorts to a variety of procedures. The method most commonly employed is informal conversation. The ambassador (or minister) of one state goes to the foreign office of the other, sees the minister or some other official, presents his case orally, and tries to adjust the matter then and there. Ordinarily, some official memorandum of the conclusions reached will be drawn up. Thousands of minor pecuniary claims are settled in this simple fashion. Where the substance of the controversy is more provocative, a formal exchange of notes "through diplomatic channels" may ensue. When this procedure is employed, the ambassador (or minister) normally acts as the intermediary between foreign offices. The tone and style of such communications vary, depending upon the gravity of a given situation. They may be couched either in the first or the third person. Their language may be mild and clothed in the traditional formulae of courtesy for which the "old style" diplomacy, at any rate, was noted. Or they may take a stronger line—all the way from a moderately phrased protest to a categorical demand for the disavowal of an action, an apology, reparations for damages, or the cessation of threatened or actual hostilities. The history of modern diplomacy is replete with instances in which complicated negotiations, having to surmount successive impasses, were carried on for months, or years, before an acceptable adjustment was arrived at. Interspersed between the receipt and dispatch of official notes there may be a succession of personal conferences between ambassador and foreign minister in the two capitals concerned.

Until the present century, diplomacy conducted most of its business through such channels as indicated above. The advent of modern communication, however, has introduced more direct procedures—especially since the World War. In order to facilitate the liquidation of a host of

¹⁷ See Stuart, *op. cit.*, chaps. XVII-XXI, for a full description of consular functions. T. H. Lay's *The Foreign Service of the United States* (New York, 1925) presents an authoritative survey of the history, organization, functions, and personnel of the American foreign service down to 1925. For a provocative criticism of personnel administration in the American Foreign Service, see G. H. Shaw, "The American Foreign Service," *Foreign Affairs*, January 1936.

questions left by the War, and more recently in connection with commercial and monetary matters, the face-to-face contact of foreign and finance ministers, in Europe at least, has become a common occurrence. Personal conference may facilitate frankness of discussion by those responsible for framing policy. Such groups of contemporaries as Briand, Stresemann, and Austen Chamberlain; Ramsay MacDonald and Herriot; Anthony Eden, Litvinoff, and Louis Barthou; Ciano and Von Neurath; Bonnet and Lord Halifax, have earned the title of "peregrinating" representatives of their country's interests. Some of them were at the same time chiefs of their respective governments. Indeed, personal visits between heads of governments themselves, for other than ceremonial reasons, are a conspicuous aspect of contemporary diplomacy. In 1929, Premier Ramsay MacDonald crossed the Atlantic to confer with President Hoover relative to arrangements for the naval disarmament conference that was to take place in London the following year. In 1931, Premier Laval of France came to Washington for his ill-fated conversations on reparations and war debts with the same occupant of the White House. As the international world has moved nervously from crisis to crisis during these last few years, the advantage of personal conference has brought Mussolini, Hitler, Daladier, and Chamberlain face to face—in most instances by pairs. At Munich, in September 1938, all four sat around the table and decided the fate of Czechoslovakia.

Although the vast majority of international disputes are settled by direct negotiation between the parties concerned, the shortcomings of this procedure are obvious. The chief trouble with it is that it tends to break down at the tension level. Despite the vehement criticism that has been leveled against "secret" diplomacy, it is often harder to carry through to success a delicate negotiation under conditions of modern publicity than when the general public knew little or nothing of what was going on. If the positions taken by each side are publicized, popular feeling may so arise as to make subsequent concessions difficult unless some subtle "face-saving" formula can be devised. In essence, diplomacy is a bargaining process. Lacking a mutual willingness to compromise, negotiations may easily be jeopardized by threats of pressure from the stronger party. No well-defined principles of law or equity condition the course of diplomatic discussion. Political expediency, power, and prestige constantly lurk in the wings when the interests and ambitions of great states clash on the stage of diplomacy. Each set of national actors is judge of its own case. There is no neutral interlocutor, let alone umpire. The typical diplomat, moreover, is traditionally schooled to the importance of yielding as little as possible. Finally, the close historic association between diplomacy and war as instruments of national policy tends to produce a psychology which may balk the

sincere efforts of the best-intentioned negotiators to arrive at an equitable settlement. Failure, that is to say, must not always be charged against the professional diplomats themselves. Like the munitions-makers, they are after all but by-products of an anarchic state system. The root of the difficulty lies rather in "the policies which they inherited from their fore-runners or in the ideas and ambitions of their populations and in their sense of what constitutes the greatness and glory of a people."¹⁸

¹⁸ Zimmern, *op. cit.*, p. 22. Among the plethora of diplomatic biographies and memoirs, the following are of special interest: *The Memoirs of Sir Ronald Storrs* (New York, 1937); G. Tabouis, *The Life of Jules Cambon* (London, 1938); and Hugh Wilson, *The Education of a Diplomat* (New York, 1937). J. Cambon's *Le Diplomate* (Paris, 1926) records in a charming informal manner the personal reflections of a distinguished French diplomat.

III

GEOGRAPHY AND NATURAL RESOURCES

"Yes, gentlemen, give me the map of a country, its configuration, its climate, its waters, its winds, and all its physical geography; give me its natural productions, its flora, its zoology, and I pledge myself to tell you *à priori*, what the men of that country will be, and what part that country will play in history, not by accident, but of necessity; not at one epoch, but in all epochs."—VICTOR COUSIN, *Introduction à l'Histoire de la Philosophie*.

THE rôle which a state plays in international politics is by no means the result of the exercise of a free and unlimited choice on the part of those who tenant its foreign office. Behind all the vanity of dictators, the caprice of foreign ministers, and the campaign pledges of political leaders, there are certain fundamental forces which influence profoundly the conduct of foreign affairs. If international politics be compared to a game, it may be said that these underlying forces are responsible, at least in part, for the limits within which the game must be played and for the positions taken by each of the players. It is true that states may, and do, disregard these forces at times but, since they can seldom do so with impunity, it is exceedingly important for a student of world affairs to be able to estimate the power of these forces and the manner in which they tend to motivate the policies of states.

Broadly speaking, there are two sets of these forces. One, which will be discussed in a following chapter, deals with the demographic, or populational, factor. The other, to which this chapter is devoted, is concerned with those natural, or geographic, factors which combine to provide the environment in which the people of the state must live. Among these geographic influences are such things as climate, topography, location, and natural resources.

It is by no means a recent discovery that natural forces influence the character of the people. As early as the fifth century before the Christian era, Hippocrates declared sweepingly that "the inhabitants of mountainous, rocky, well-watered country at a high altitude, where the margin of seasonal climatic variation is wide, will tend to have large-built bodies consti-

tutionally adapted for courage and endurance, and in such natures there will be a considerable element of ferocity and brutality. Inhabitants of sultry hollows . . . who are more generally exposed to warm winds than to cold . . . will in contrast not be large-built, but thick-set, fleshy and dark-haired. . . . Courage and endurance will not be innate in their characters."¹

Thus did the father of medicine set forth his belief that geographic conditions determined directly the character of the people and, by implication, the nature of the state. This same extreme view has had many proponents in succeeding centuries. Among those who subscribed to it are such persons as Plato, Aristotle, Bodin, and Montesquieu. Few among these have stated their belief more succinctly or more sweepingly than the nineteenth-century French philosopher whose view is quoted at the head of this chapter.² In more recent times this emphasis upon the importance of natural factors has found many adherents, chiefly among those who have followed the principles laid down by Friedrich Ratzel, the great German Anthro-Geo-grapher of the nineteenth century. To Ratzel, and to the modern German school of political geographers, it is clear that the influences of climate, and the form, relief, and character of the land, are the major determinants of the history of its people. Within these controlling limits, and only within them, can the citizens of a state work out their destiny. But, more than this, these exponents of *Geopolitik*, as it is now called, believe in an organic theory of the state.³ Consequently, from this point of view it is of the highest importance that a state should extend its frontiers in its period of growth in order to secure for itself the benefit of the best possible combination of favorable geographic factors. Little wonder that this point of view is widely popular in a state, such as Germany, which considers itself to be reborn—and therefore compelled to expand in a new period of growth—and in which there has been so much general discontent with existing frontiers. Thus do scientists arm the demagogue.

Just as there are persons who assert that heredity, and not environment, is the dominant force in the life of an individual, so there have been writers who have expressly repudiated this doctrine of geographic determinism. Such persons have insisted that the control over the destiny of a state rests

¹ *Influences of Atmosphere, Water and Situation*. English trans. by A. J. Toynbee in *Greek Historical Thought from Homer to the Age of Heraclius* (London, 1924), pp. 167-68.

² For a discussion of these views, see L. Febvre, *A Geographical Introduction to History* (London, 1925), pp. 1-22.

³ Cf. the following statement: "States, like human beings are born; have progeny; experience (if they are healthy) a period of growth and virility; reach then an era of their greatest value, in which growth has ceased; show symptoms of disease and marks of decline, sometimes degeneracy; and finally die when their age has been fulfilled."—R. Hennig, *Geopolitik, die Lehre vom Staat als Lebewesen* (Leipzig, 1931), p. 12.

exclusively with the genius of its people. As an illustration, one may turn to the writings of the famous Count Arthur de Gobineau who declared that "the intellectual world would bow to the white race, even if it resided in the icy polar regions or under the fiery rays of the equator. It is there that all ideas, all tendencies, all efforts converge. No natural obstacles could prevent the most remote products and commodities from crossing seas, rivers, and mountains to them."⁴ Not many persons, however, have been willing to assume such an extreme position. Most students of the development of civilizations take a common sense middle ground and assign positions of importance both to the human and to the natural forces, and many have stressed particularly the way in which the natural forces have tended to stimulate or to retard the development of the people who have been affected by them.⁵

This balanced view would seem to be the wisest one which can be adopted by a student of modern international relations. It should be clear from the ensuing discussion that geographic forces do undeniably influence, and may in specific cases determine, the policies adopted by a state in its relations with others.⁶ It is necessary, therefore, to analyze with some care the general character of each of these natural elements and its bearing upon the life of a state. It is also necessary to keep in mind the fact that these constitute but one of the many sets of forces which preside over the destiny of a people.

CLIMATE

The climate of a country or region may be defined as the average condition of the atmosphere. Within the scope of such a definition one must include such component elements as moisture, temperature, and the activity of air currents. At first glance it may appear to be an elaboration of the obvious to insist that temperature variations, humidity, rainfall, prevailing winds, and the presence or absence of cyclonic storms are of great importance in shaping the development of a state. Nonetheless, both the direct and the indirect climatic influences are so frequently disregarded or underestimated that it seems necessary here to insist upon their importance. Some of them affect man's health and activity directly, while others exercise their force by controlling the character of the food supply, the modes of life and travel, and the presence of parasites or microorganisms which are inimical

⁴ Cited in J. Brunhes and C. Vallaux, *La Géographie de l'Histoire* (Paris, 1921), pp. 2-3. See also J. de Gobineau, *The Inequality of Human Races* (Eng. ed., London, 1915), chap. VI.

⁵ For a brilliant study based on this approach, see A. J. Toynbee, *The Study of History* (3 vols. London, 1935), Vol. II, *passim*.

⁶ For a recent discussion, see N. J. Spykman and A. A. Rollins, "Geographic Objectives in Foreign Policy," *American Political Science Review*, June-October 1939.

to human life. In neither case is it possible to say that man has emancipated himself from their influence by means of his technical advances.

Even a cursory study of the levels of civilization in various parts of the world should make clear the fact that certain climatic factors seem definitely to favor human development and progress, while others tend quite as definitely to retard it. First of all, there is the matter of temperature. Everyone knows that excessive heat is so enervating and excessive cold so rigorous that both are unfriendly to the development of a high degree of civilization. But, disregarding both the tropics and the polar regions, it is important to inquire if there are, between these extremes, certain mean temperatures which seem to induce the highest output of human energy, both mental and physical. If so, can it be asserted that states not enjoying such optimum temperatures are definitely handicapped in competition with those which are so favored? If this should be true, it would offer a clue of considerable importance to the study of world affairs.

Geographers have attempted to answer this query by studying such things as the output of factory laborers at various temperatures. From such tests they have concluded that there is an optimum temperature of about 64° for physical activity. Similar studies of mental workers have demonstrated that maximum work of this kind can best be done at a considerably lower temperature of about 38°. This would indicate that an ideal average temperature, at least for workers of the white race, would be somewhere close to 50°. Among cities, such a condition is true of London, Paris, New York, and Peiping, while, in general, most of England, the Pacific north-western portion of North America, and New Zealand are the chief regions which enjoy this favorable situation. On the basis of this criterion, London's record is almost ideal since the thermometer averages 63° in July and 38° in January.⁷ As one English authority has remarked, "Britain . . . lies far enough north to be warm rather than hot in summer, and is besides still under the influence of the ocean. Thus work by land and sea is possible all the year around. There is cold in winter to brace, but not to numb; there is heat in summer, but it does not enervate. Energy may be saved all the time."⁸

The mere coincidence of average temperatures with these optima, however, is not alone enough to provide ideal temperature conditions for the best utilization of human energy. Within these limits there must also be frequent and sharp changes. A region in which there is great temperature uniformity from day to day, and in which seasonal changes occur with a slowness that is almost imperceptible, is not nearly as stimulating as one

⁷ On this point, see E. Huntington, *Civilization and Climate* (3rd ed., New Haven, 1924), pp. 220 ff.

⁸ J. Fairgrieve, *Geography and World Power* (London, 1915), pp. 162-63.

in which there are numerous storms. Geographers are in agreement that the sharp, even though minor, temperature changes produced by such storms give a fillip to mental and physical activity. In this respect also England is outstanding. The prevailing westerly winds bring to that country many weather changes and, even though the actual net alteration in temperature is not great, it is enough to provide the needed stimulus. Although, as John Gunther has said, "the Englishman has his umbrella within reach almost from birth," it may well be that there is a closer connection between that fact and the British Empire than is generally recognized.

Portions of Central and Eastern United States and a large part of Germany also experience many storms, but these areas tend to be too cold in winter and too hot in summer. Thus, while the spring and fall seasons in these areas are admirable, they are promptly followed by winters and summers which cause a serious drain upon human energy. The net output of the people is high because the tempo of life is keyed to the most favorable seasons but the result is a far greater strain upon energy and nerves than in England. Generally speaking, the temperate portions of Asia, Africa, and South America are less favorable, for a variety of reasons, than these areas of North America and Northern Europe. There, and there alone, temperature conditions seem to evoke the maximum output of human energy, with a consequent development of civilization and world power.

In considering this favored situation of Northern Europe, it is interesting, parenthetically, to reflect upon the extent to which the temperature conditions can be ascribed to the beneficent action of the Gulf Stream. England is actually in the same latitude as Labrador, Kamchatka, and Northern Sakhalin. Different indeed would have been the history of the British Empire, and different the course of world politics, if the English ports were ice-locked throughout half the year as are those of these other regions. Even as far as Scandinavia the Gulf Stream has an effect. Messrs. Knudsen and Gehrke have declared that "it has been proved that it is possible to trace the annual variations in Norwegian harvests, the value of the cod fishing at Lofoten, the distribution of springtime ice in the Barents sea and other similar facts in relation to the temperature variations in the Gulf Stream water in the Norwegian sea during preceding years."⁹

Scarcely less important than temperature is the question of rainfall. The amount of water which falls annually on different parts of the earth varies as greatly as the temperature from the equator to the poles. Extremes of drought or precipitation are alike unfavorable to the development of a great state. In arid and desert regions the absence of rain so limits the available food supply that only a scattered population can manage to eke

⁹ Cited in Brunhes et Vallaux, *op. cit.*, p. 18.

out a nomadic existence. Under such conditions a civilization rich in handicraft techniques and profound in philosophic and religious speculation may be produced, but these geographic controls are too powerful for that civilization ever to become a great power in the present-day use of the term. Arid wastes may be a barrier against an invader, but the population which subsists upon them will be too sparse and too individualistic for the achievement of closely knit national unity, and the state which governs these people is likely to be impoverished and backward. Similarly, the inhabitants of a region in which the rainfall is excessive also labor under a distinct handicap. Since these regions usually possess a high mean temperature, the combination of uncomfortable warmth and high humidity is extremely enervating, and what is often more important, it provides an ideal environment for bacteria and the resulting diseases which are all the more dangerous because of the naturally low resistance of those who are attacked by them. Inhabitants of such regions become inured to these difficulties, but they are subject to debilitating diseases, such as malaria, and they do not build great states.

Since no state, large or small, is exclusively nonagricultural, it is obvious that a powerful modern state must possess adequate but not excessive rainfall; enough, in other words, to favor the growth of crops and to provide the humidity necessary for the health and well-being of the people. In this connection it is important that large land masses should have prevailing winds which come from the sea, for such winds are moisture-laden. These requirements are best met by those regions in the temperate zone which are not cut off from the sea either by unfavorable topography or by excessive distance. England, the northern portion of western Europe, and the United States (with the exception of the plains east of the Rocky Mountains) are all highly favored in this way.

One interested in these conditions and their influence upon the development of states is naturally led to speculate about their permanency. Such speculation involves two questions which may be asked even though they cannot be answered conclusively. First, are climatic factors constant or are they subject either to temporary fluctuations or to long-time changes? Second, to what extent has man in his advance succeeded in conquering climatic obstacles? As to the first, every schoolboy knows that great climatic changes have occurred in recent geologic times, a fact amply attested by the fossil remains of tropical flora and fauna in what are now the temperate and subarctic regions. But such changes, however interesting they may be to the natural scientist, have no great bearing upon the relationship of climate to the modern world. Thus the problem may be narrowed down to the question of climatic change within recent times. One phase of this query may be dismissed very briefly. There are many temporary fluctuations

which, though minor, have exerted an immediate influence upon international affairs. Thus, for example, the abnormally cold winter of 1794-5 was disastrous to the Dutch who were at that time engaged in conflict with the French revolutionary army under General Pichegru. So unexpectedly severe was the winter that when the Dutch canals were frozen the helpless Dutch navy was captured by a detachment of French cavalry.

It is less easy, however, to cite evidence of long-time climatic change. We know, of course, that civilizations have risen and fallen, that once great cities, such as Angkor and the Mayan ruins, have now been swallowed up by the advance of the jungle, but we do not know definitely that this decline was brought on by climatic change. There is evidence that within the limits of human history there have been great climatic "pulsations" which may have in part accounted for the disintegration of these ancient civilizations. Such evidence is based largely upon the variations in the thickness of the annual rings in the big trees of California. It is, therefore, a record of rainfall rather than of temperature change, but the evidence thus preserved in the oldest living things on earth does indicate changes, or "pulsations." These so strikingly coincide with great movements in history that a study of them has evoked many provocative analyses which are interesting even though incomplete.¹⁰

The other query concerning man's victory over climate can likewise be given only a partial answer. It is obvious that within the period of recorded human history the centers of civilization and world power have shifted from warm to temperate regions. The fertile crescent of Egypt and Babylonia could remain the center of civilization only so long as men were unable successfully to clothe and shelter themselves against the rigors of the winter season in the temperate zone. Evidence of the importance of this geographic barrier is shown by the fact that the Roman Empire's northern limits were strikingly coincident with that portion of Europe which is frozen during midwinter. Thanks to technological advance, moderate cold is no longer the barrier that it once was. More recently, some progress has been made in the conquest of heat. With expensive equipment it is now possible to maintain uniformly cool temperatures within dwellings and factories, but it is extremely doubtful if this belated conquest of higher temperatures will be of anything like as great importance to the world as the earlier victory over moderate cold. It should be noted, too, that it is now possible to maintain within buildings a fixed degree of humidity, an achievement of marked importance to the future of the English textile industries

¹⁰ Particularly in the writings of Ellsworth Huntington, among which are *Civilization and Climate* (3rd ed., New Haven, 1924), *The Climatic Factor* (Washington, D. C., 1914), *Principles of Human Geography* (New York, 1920), and *World Power and Evolution* (New Haven, 1919).

whose long predominance has been in part due to the moist climate so essential to the proper spinning of certain fibers. It is also possible to drain marshes, to irrigate arid regions, and thus to provide a more satisfactory local distribution of water; but these improvements, though they do represent local victories over past climatic obstacles, are scarcely of such importance as to exercise any great influence over the position or policies of a state. Mussolini may drain the Pontine marshes but it has not stilled his demands for colonial expansion. One may conclude that technological improvements are not likely to have any perceptible effect in softening or lessening the fundamental force of the great climatic agencies.

LOCATION

It is not easy to set down a concise and satisfactory working definition of this second geographic influence upon a state. In general, it may suffice to say that the extent and character of a state's participation in international affairs is often determined, and is invariably influenced, by its location in relation either to its neighbors, be they large or small, or to the great powers of the world. In other words, a student of international relations is justified in assuming that the foreign policies of the states which are involved in a given problem are what they are partly because of the geographic positions which they happen to have vis-à-vis each other.

If this is true, it is important to determine what constitutes a "favorable" or an "unfavorable" location. It has been pointed out in regard to climate that certain conditions of temperature and rainfall are always favorable or unfavorable to a nation's progress. But when the same question is applied to location no such categorical answer can be given. In this case much depends upon the rôle which a state aspires to play in world affairs. If the citizens of a certain state desire to be let alone, to cultivate their own garden in peace, then a location which forces them into the maelstrom of great power politics is definitely unfavorable. If, conversely, they are ambitious and desirous of carrying great weight in international councils, they could scarcely fail to welcome a location which enabled, even forced, them to do so. Clearly, a people devoted to the organic theory of the state must regard as favorable a location which enables them to expand with a minimum of difficulty into great power stature. Such a people will struggle resentfully against a position which would make it difficult, or well-nigh impossible, for them to grow "naturally."

In any event, whatever the attitude of a state may be, it cannot, in shaping its foreign policy, disregard the importance of its location. History is replete with examples of states which have been forced, willy-nilly, to play an important part in international affairs. Clearly, to cite one illustra-

tion, the course of world politics in modern times would have been different if Tsarist Russia had been so located as to possess an unobstructed ice-free port. Her failure to possess such a port, and her fixed determination to acquire one, had profound consequences for the world. Throughout most of the nineteenth century the Turkish Empire, weak and corrupt though it was, remained alive, though not in a state of civic health, because of constant aid and support from Great Britain. Downing Street had little sympathy for the decadent Ottoman régime, but felt that it was necessary to champion Turkey in order to prevent Russia from achieving her goal of an ice-free port by acquiring control over the Straits. Especially after the completion of the Suez Canal in 1869 did Great Britain view the possibility of Russian control over the Straits as a definite threat both to the new British life line of empire and to the permanent policy of keeping British influence dominant throughout the Arab populated regions of the Near East. Had Turkey not occupied that strategic position in control of the entrance to the Black Sea, and the land bridge to southern Asia as well, she would not have been such a focal point for Anglo-Russian intrigue, and later, after the elaboration of the Berlin-Baghdad Railway scheme, for the intrigue between the Allied and the Entente powers. Under such circumstances it was impossible for the "Sick Man of Europe" either to die or to convalesce in peaceful solitude.

Recent Belgian history provides another illustration of the compelling force of location. The people of this tiny state have never exhibited any inordinate desire to meddle in world affairs, but they have had the misfortune to be located upon the only convenient military route between France and Germany, a fact which has been of profound importance to recent Belgian history and foreign policy. Prewar German military policy was built upon the plan of crushing France before the slow-moving Russian government could get its troops into the field. Under such circumstances the invasion of Belgium was almost inevitable. After the destruction of the Locarno system by Hitler in 1936, the Belgian government made a strenuous effort to reassert its neutrality, but the outbreak of war in September 1939 brought the key position of Belgium once more directly into the forefront of international affairs. Although it does not now appear that France and Britain will force their way through Belgium, their respect for its neutrality involves a severe loss in military advantage.

Similar examples might be cited from almost any portion of the world. The history of Ethiopia since 1889 is one long testimonial to the fact that a brave people may perforce have the trend of their history changed by the location of their country in relation to other powers or to their colonial possessions. It was the location of Ethiopia which caused France to support the Emperor Menelik forty years ago in his struggle against Italian im-

perialism. Today, because of Ethiopia's important location as a valuable hinterland between two worthless Italian colonies, the history of Italian Fascism is stained with the blood of thousands of simple natives.

Not always has location been so inexorable in thrusting states into world affairs. How many Americans take pride in what they consider the preternaturally wise policy of isolation from Europe without realizing that such a policy, though seldom followed, has been possible even in theory because, and only because, their country is removed from European turmoil by three thousand miles of water? How many of them who have believed that American foreign policy is more high-minded and more benevolently pacific than that of the other great powers have considered the fact that America has no great and traditionally hostile neighbor in the entire hemisphere, much less in close juxtaposition? To put the matter in another way, could the American policy of Caribbean domination have been the same if the northern portion of South America were occupied by a single power, as great, ambitious, and powerful as the United States? To ask the question is to answer it. As further examples of states which have been permitted by their locations to abstain to some extent from recent international affairs, one may turn to the Scandinavian countries, many of the South American states, and the British dominions, which now enjoy a status of virtually complete independence in the determination of foreign policy.

Aside from the broad questions of participation or nonparticipation in international affairs, location also determines rather concretely the character of many particular aspects of a state's foreign policy. Thus, for example, the prewar military policy of Germany, which has been previously cited, was not motivated by any special desire to crush Belgium, but it was adopted largely because Germany's location between two large, hostile, and allied powers made it essential for the Germans to try to offset their opponents' superiority in numbers by the development of an efficient army which presumably could crush France with an attack as sudden as it was overwhelming before Russia could mobilize her own vast but ill-equipped army.

Similarly, much of recent Japanese foreign policy can be explained by reference to this factor of location. A glance at a map of eastern Asia will indicate why the Japanese have repeatedly declared that if Korea were in the possession of another power it would be a dagger pointed directly at the heart of Japan. It was this fear which led the Japanese to wage war upon Russia in 1904 and to annex Korea for themselves six years later. But behind Korea lies Manchuria. Thirty years ago Japan was willing to fight to keep another power from acquiring a dominating position in Manchuria, and, today, her recent creation of the puppet state, Manchukuo, represents a determined effort to establish and maintain a friendly and dependent government in that region. This affords a good illustration of one of the

dangerous uses to which the doctrine of location may be put. If Japan had to acquire Korea for self-protection, and if she had to acquire Manchuria, partly in order to protect Korea, what must she acquire in order to protect Manchuria? Strategic considerations, motivated by location, have thus frequently determined the relations between a great power and a small neighbor.¹¹

Even more specific is the effect of location upon defense policy. When a state is so located that the only real threat to its security is likely to come from the sea, it concentrates its defense expenditures on a navy and the innumerable and costly adjuncts to a great naval establishment. The United States and Great Britain have been, at least until recently, in this position. Other states, such as Russia and Poland, fear only an attack by land or air, so they spend their money upon an army and an air force. Still others, like Germany, France, and Italy, feel that their position compels them to maintain a great army, a great navy, and a great air force. It is curious but interesting to note that states which concentrate upon one kind of weapon tend to regard those which rely upon another as more militaristic than themselves. Popular attitudes in the United States toward Great Britain on one hand, and toward the Continental European states on the other, offer an excellent illustration of this point.

These effects of location are obviously not as permanent as those of climate. Several factors may operate, sometimes swiftly, sometimes slowly, to change the influence or importance of a particular location. One of these, which has been distinctly important in the past, is the extension of geographic knowledge. Today, for example, Great Britain has a splendidly convenient location with respect to the most centrally located continent in the world. (Europe is unique in that all the great land masses except Australia can be reached by a journey of three thousand miles or less.) There was a time, however, when Great Britain, like the Scandinavian states of today, was "at the end of all things and on the road to nowhere."¹² Partly as a result of this early isolation the British were able to escape much of the turmoil that fell to the lot of other more centrally located islands such as Sicily. The effect of this upon the course of British history need not be elaborated.

But, though it has been most important in the past, geographic discovery is now confined to such remote corners of the world that its further progress can no longer have any bearing upon the importance of a state's location. Today, the new factor of greatest importance is science. The much-discussed shrinkage of the globe through the multiplication of devices for

¹¹ The relations between the United States and the Caribbean powers, and Italian policy toward Albania from 1919 to 1939, represent further illustrations of this point.

¹² Fairgrieve, *op. cit.*, p. 164.

rapid transportation and communication has profoundly altered the location relations of the states. So rapid have been the strides of modern technology that already people are beginning to wonder if the remote position of the United States may not soon lose much of its protective value. It is perhaps premature to base national defense policy on the belief, so bruited by the sensational press, that, in the event of embroilment with Japan or with a European power, the United States could anticipate a transoceanic aerial invasion. As was demonstrated during the World War, however, such a fear is far from fanciful for a state like Great Britain. No longer can the British navy be depended upon to protect that country from invasion. To be secure, the Mistress of the Seas must now become Mistress of the Air as well. Recognition of this change can be seen in the new British defense policy. Malta, for example, is of little value now that Italy has built a gigantic military air force. Iraq possesses a new importance to the British Empire because its location provides an essential air base linking India and the Persian Gulf to Croydon Field. Thus it is that, though the importance of the principle of location remains unaltered, the value of a particular location may, through technical change, be materially enhanced or entirely destroyed.

TOPOGRAPHY AND FORM

A third geographic factor which affects the extent and character of a state's participation in world affairs is its topography. By this is meant the form and relief of the land, the character of the river system, and, in general, the ensemble of physical features. Attention has already been directed to the close relationship which the ancients thought to exist between this physical character of the land and the people who dwelt upon it. Today, few persons would accept such extreme views, but no one can deny that it is a force which must be reckoned with.

First of all, it should be noted that topography has had an influence upon the history, not only of states, but of continents as well. Apart from all questions of climate and location, the physical character of the several continents offers many striking contrasts. Some of the great land masses, such as Europe and eastern United States, have a depressed coast which, because of the great number of drowned river valleys, provides many good harbors and an easy means of access to the interior. Others, with uplifted coasts, have few harbors and present no good facilities whereby water-borne commerce can penetrate into the land. It is informative, in this respect, to compare the physical maps of Europe and Africa. When this is done, it will at once be apparent that, whereas Europe has a much-indented coast line,

the African coast is almost wholly free from indentations. Actually, although Africa has almost three times the land area of Europe, the latter has the longer coast line of the two. This means that Europe has abundant harbor facilities while Africa has so few that their absence was for decades, even centuries, a serious obstacle to explorers and colonizers. The Portuguese navigators succeeded in finding their way around Africa as early as the year 1497, but it was not until 1652 that a European settlement was established at Cape Colony, and it was not until the nineteenth century that the interior was finally explored. During all these intervening centuries, though Africa lay at the very doorstep of Europe, it was passed by, while restless adventurers and colonists penetrated into Asia, settled the two Americas, and acquired control over the isles of Oceania.

But even harbors are of little importance unless the interior of a continent can be easily reached by them. In the case of a depressed coast, not only do the rivers open the way to the interior, but the depression produces, as in western Europe, so many peninsulas that no portion of the interior is far removed from the sea. Far different is the problem of penetration into the interior of Africa. Almost the entire seacoast is paralleled a short distance inland by ranges of mountains, and geographers have often compared the form of the continent to an inverted pie plate. This means that the rivers which flow into the sea pour down from the plateau over a series of cataracts and falls, carrying in their rushing course much mud and sand which is deposited at the river mouths in the form of bars and deltas, both of which effectively hinder ships from entering the river channels. Ordinarily, a ship is aided in surmounting such obstacles by the tides, but the ocean is too deep off the African coast for the tides to be of any great importance, and, more than this, even when access to the channel has been gained, the rivers are only navigable for a short distance until the hapless boat encounters the barriers created by the falls and cataracts. Clearly, the absence of good navigable rivers has been a potent factor in retarding the development of the entire continent.

The general forms of the other continents lie in between these two extremes. Both North and South America are somewhat alike in that in each case the eastern coast provides easy access to the interior, but the western coast does not. The coasts of Asia are both quite satisfactory in providing good facilities for access to a portion of the interior.

Naturally, when coastal barriers of large continents are high, they not only impede the traveler but they also determine the amount of rainfall which can reach the interior. The arid conditions of northern Africa, the western plains of the United States, and Central Asia are caused by this fact. In the case of Tibet, the desert is produced by the inability of the sea winds to carry their moisture over the Himalayas. As they encounter

this mighty escarpment they deposit on its southern slopes the most severe precipitation which descends on any area of the earth's surface. At Cherrapunji, for example, the monsoon winds from the Bay of Bengal produce an average of 466 inches of rainfall a year, fifteen times as much as in eastern United States. No less than 42.5 inches has been recorded in a single day.¹³ Such conditions do not, and cannot, prevail in a small continent like Europe where the moisture-laden sea winds may unobstructedly reach every portion of the interior.

Turning now from continents to states, it is clear that topography and form have influenced the destiny of political units as well as of the great land masses. When the people of a region have been protected from external aggression by adequate natural barriers, and where the internal physical situation has been favorable, national unification and the consequent development of political power have been much faster than when the reverse has been true. Historically, it has been difficult to develop a sense of unity and a willingness to coöperate among peoples who, whatever their racial and religious similarities, have inhabited a mountainous region. True, it has been done in the case of Switzerland, but, despite the rugged character of the country, intercantonal transportation and communication are not as difficult as one might anticipate, for there are lakes and numerous passes to aid the traveler. As an example of a situation in which mountains have blocked unification, one may turn to the Balkans, where strife and bloodshed have long characterized the history of the region. As one commentator has pointed out, "the [physical] structure is such that there is within the peninsula no natural center about which a great state might crystallize, and, further, that the existence of two broad, diverging lines of communication, running respectively north to south and northwest to southeast, facilitates the entrance of alien peoples, and makes the establishment of even small states difficult. There is no natural rallying point."¹⁴

Even where national unity, in the sense of the creation of a single state, has been achieved, the presence of internal barriers has generally weakened the government, lessened the loyalty of the people, and impeded the operations of administration. The plight of the Turkish government in the period prior to the World War offers a good case in point. It is true that the Constantinople government was corrupt and maladministered, but even if the officials had been imbued with a greater desire to further the national welfare, internal barriers made the problem one which would have taxed their abilities to the utmost. In this country divided by the Straits, the Balkan ranges, the Taurus mountains, and the deserts of Asia Minor,

¹³ E. Huntington and S. W. Cushing, *Principles of Human Geography* (New York, 1934), p. 276.

¹⁴ M. I. Newbigin, *Geographical Aspects of Balkan Problems* (London, 1915), p. 19.

the odious device of tax farming was perhaps more of a necessity and less of a deliberate abdication of responsibility than has been generally recognized. Even in the case of as narrow a peninsula as Scandinavia, the Tydal mountains, which now separate Norway from Sweden, have been almost as great a barrier to the development of transpeninsular trade as if an ocean had separated the two states.¹⁵ So difficult is the crossing of the Peruvian Andes that it has been a frequent practice in the past to send government officials from Lima to the trans-Andean section of Peru via Panama and the Amazon River. Many Americans in the pre-Civil War period went to California by way of the Isthmus of Panama.

Less important historically, but still not without significance, is the character of the river system of a country. In the days before the development of railways most of the internal traffic of a region was river-borne, a fact which had no little bearing upon the achievement of national unity, particularly where the area was one of considerable extent. France and Germany offer interesting contrasts in this respect. The achievement of French national unity must have been materially aided by the fact that the great rivers spread fanlike toward the north, the west, and the south—all from a single central area which has been truly the economic and political focal point of the entire country. The so-called *Île de France* has thus been united by a nexus of natural ties to virtually all parts of the country. With this in mind, one may turn to Germany and immediately perceive one of the reasons why political unity in that country was achieved more slowly and with greater difficulty. There, the Rhine, the Weser, the Oder, and the Elbe all flow northward in a sharply parallel fashion. This meant that there was no single natural area which was truly central to the interests of the German people.

Important, too, are the size and configuration of a state. Both China and Russia have been handicapped in the past by the enormous size of the area which they occupied. It was difficult under such conditions to weld the millions of citizens into a coherent political unit, to secure and maintain popular loyalty, and to administer government services honestly and effectively. Admittedly, this matter of great size is a handicap only at a certain stage in the evolution of a state, for, later on, the power which is potential in so vast an area may become the source of immense strength. The Soviet Union is already demonstrating how the size factor may be changed from a liability to an asset. The point is that for a time, but only for a time, the smaller and more compact states may be able to command greater respect in international affairs. A somewhat similar handicap, not of size but of configuration, may be seen in the cases of such states as Italy and Chili.

¹⁵ Hennig, *op. cit.*, pp. 55-60.

It is perhaps important to add at this point a word, though rather a cautious one, about the effect of the factors of size and configuration upon the character of the people. The inhabitants of an insular state, such as England or Japan, are by necessity driven to combine seafaring with agriculture and industry. Thus the conservatism, for which the term "insularity" has become almost a byword, becomes mixed with a cosmopolitanism engendered by life on the sea. Many years ago Ratzel wrote of the "double nature of sea peoples, in which the most intense national egoism is blended with the widest cosmopolitanism, the most petty eagerness for gain with the widest understanding of the common interests of all."¹⁶ The peoples of a great continental state are under no such compulsion and they seldom manifest a wide interest in maritime affairs. Thus, for example, the early sea interests of New Englanders rapidly declined after the opening of the West. Thus, too, the Chinese were so little interested in the sea that they did not even know of the existence of Formosa, although that island is only seventy miles from the mainland, until the thirteenth century A.D., and even then they did not take the trouble to occupy it until four hundred years later.¹⁷

A discussion of the influences of shape and relief would not be complete without some mention of external barriers. In the past, at least, adequate external barriers have been as favorable to the growth and development of a state as internal barriers have been unfavorable. In a sense this principle may be regionally applied to the whole Mediterranean coast of Europe, for the height of the Alps and the narrowness of the Strait of Gibraltar provide an immense natural barrier. Genoa is in the same latitude as Portland, Maine. But because the Alps keep out the cold northern winds and the straits are too narrow and shallow to admit the cold waters of the Atlantic, lemons and olives thrive in the same latitude as Buffalo and Saint Paul.¹⁸ For a state, there may be several kinds of external barriers. China and Egypt were long protected by their deserts. The history of Spain and France would certainly have been different had it not been for the Pyrenees. Argentina and Chili are separated by mountains so formidable that the only pass between Buenos Aires and Valparaiso is no less than 12,000 feet above the sea level. The importance still placed by nations upon the possession of these barriers as frontiers can be amply illustrated by the Franco-German bickering over the Rhineland and the Italian demand in 1919 for the cession of the Austrian South Tyrol up to the Brenner Pass.

Despite the preoccupations of statesmen, many of these natural bar-

¹⁶ F. Ratzel, *Das Meer als Quelle der Völkergrösze* (Munich, 1900), p. 42.

¹⁷ Fairgrieve, *op. cit.*, chap. 13.

¹⁸ See Huntington and Cushing, *op. cit.*, p. 273.

riers are no longer as important, strategically, as they were even a quarter of a century ago. Man's conquest of the air has now virtually destroyed the protective value of mountains, rivers, and deserts, a fact which the unhappy natives of Ethiopia have so recently learned to their cost. Nations still may clamor for "natural" frontiers, but they cannot now honestly do so for the protection value which they have to gain. In one way, perhaps, this loss is balanced by the fact that internal barriers are similarly less formidable. Modern engineering skill now makes it possible to knit closely together the inhabitants of a far-flung territory with a nexus of high-speed railways and highways. Even greater is the contribution of the radio engineer to the new unity. Of what importance is it today that the rivers of Germany do not spring from a single central area, when the radio-borne exhortations of Herr Hitler can be heard simultaneously by every perspiring citizen of the Third Reich? Obviously, the radio can not of itself make the Chinese take to the sea or cause Britannia to lose her ancient interest in ruling the waves, but it does bid fair to go along with aerial transportation in altering the old effects of both internal and external barriers. Africa may still be as forbidding, and Europe as inviting, to maritime traffic but it is significant that the colonial powers are now building air fields and wireless stations in their dependencies even before they undertake the task of roads and railways. The age of the air has come, and no man can yet foresee the ultimate effects which it will have upon barriers and boundaries.

RAW MATERIALS

Climate, location, topography and form do not exhaust the list of natural influences. There remains the whole question of the extent and character of the raw materials furnished by nature for the people of a region. Among such things are all foodstuffs and many vegetable products, such as rubber, sisal, cotton, and coconut oil. Important as these things unquestionably are, they can be easily reproduced or replaced by substitutes and they are, therefore, relatively less important than mineral raw materials which cannot be grown in a field or produced at will in a laboratory. Today, minerals and their derivative products are so essential to every great state that possession of them has come to be one of the chief criteria of world power. Even a moment's casual reflection upon a world without minerals leaves one staggered by the burden ^pressed upon the imagination. Mankind could exist without them. Men ^{have}endured one so throughout an unknown number of centuries, but it would ^{be} difficult to assert that they could do so and still achieve any measure of civilization as that term is ordinarily used. Certainly, one of the most striking differences between mod-

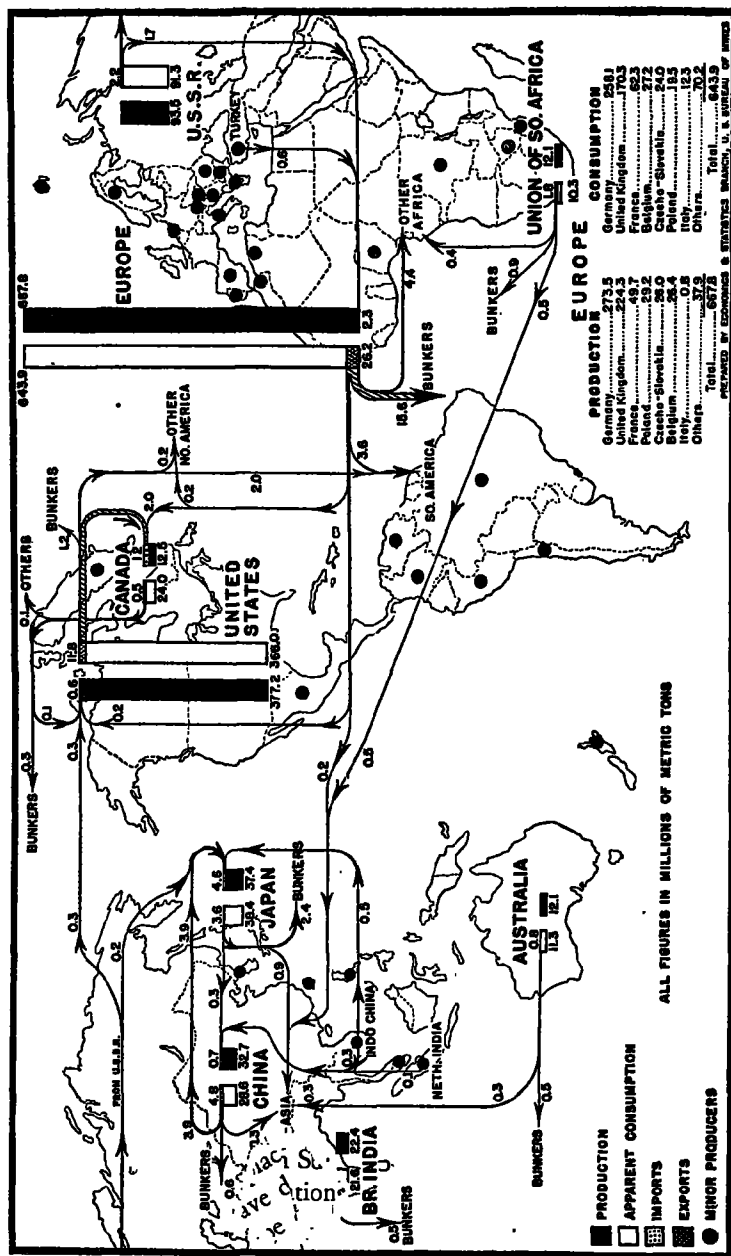


Fig. 2.—COAL, WORLD PRODUCTION, CONSUMPTION, AND PRINCIPAL TRADE RELATIONS IN 1934.

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ern civilization and that of a primitive tribe lies in the inability of the latter to utilize the riches found beneath the earth's surface.

This modern dependence upon minerals has largely determined the concentration of modern world political power. In preindustrial days people and states did make such use as they could of the minerals which were easily available.¹⁹ This fact does not prevent one from concluding that society was essentially "vegetable" rather than mineral in its dependence upon the land. Since the vegetable raw materials for food, clothing, and shelter were widely scattered throughout the temperate and even the tropical regions of the world, such concentration of political power as did develop was derived from a state's sea power or its control over important trade routes. Today, however, our modern machine civilization rests upon a favorable combination of energy resources on the one hand and machine resources on the other. Such a combination exists in only a few places, very few indeed in comparison with a favorable combination of the vegetable factors which governed our preindustrial civilization. As Professor Zimmerman has pointed out, "It is no exaggeration to say that the most essential fact of modern economic geography is that all major combinations of this sort happen to be concentrated around the North Atlantic."²⁰ Time and technical progress may diminish the supremacy of the North Atlantic region but, for the present period at least, it is amazingly true that the riches of the subsoil have combined with favorable climatic and topographical factors to give a natural power primacy to the states located upon this one small portion of the earth's surface.

Even so, this does not mean that within this narrowly limited area, the subterranean bounties of nature have been distributed with anything like a generous impartiality. No state, large or small, is today self-sufficient in minerals. Some have more than others, but all are dependent upon the outside world for many essential mineral raw materials, a statement which remains true even though colonial possessions are included with the mother country. It is this tremendous dependence upon minerals and their uneven distribution which is one of the most potent causes of contemporary international unrest.

Before attempting any analysis of the mineral position of the powers, it should be pointed out that, naturally enough, not all minerals are of equal importance. A great industrial state may be seriously deficient in many types of mineral products and yet, despite this, it may maintain its

¹⁹ One may refer in this connection to the ascendancy of the iron-using Assyrians over their bronze-equipped enemies, the importance to Egypt of the Sinai copper deposits, etc. See E. W. Zimmerman, *World Resources and Industries* (New York, 1933), p. 430. Also T. A. Rickard, *Man and Metals* (2 vols., New York, 1932), *passim*.

²⁰ E. W. Zimmerman, *op. cit.*, p. 806.

greatness because it has an ample supply of other minerals which are more important. Generally speaking, the most basic minerals are coal and iron. Though petroleum and hydroelectricity have year by year become more important as sources of industrial fuel and energy, coal is still essential for the cheap and efficient production of iron and steel. From coal, modern chemical genius also derives the myriad by-products which enrich our material civilization.

Although there is much speculation about the extent of the world's coal reserves, actual production is limited to surprisingly few areas.²¹ In 1937, the continents of North America and Europe (excluding the U.S.S.R.) were responsible for four-fifths of the 1,310,000,000 metric tons of coal produced during that year. Three countries, the United States, Germany, and the United Kingdom, produced two-thirds of this amount and the United States alone accounted for more than one-third.²²

This same high degree of concentration is also true in the case of coal's twin product, iron ore. In 1936, France, the United States, and the U.S.S.R. together produced nearly 70 per cent of the world's supply. Iron ore requires coke for smelting and the great advantage of the United States lies in the fact that it is the only country in the world which possesses a large supply of good iron ore together with an equally great supply of coking coal. Germany was in a similarly favorable position before the World War, but since the cession of the Lorraine iron deposits to France, the Germans have had good coal but an insufficiency of iron, while the French have plenty of iron but lack coal. Great Britain, like Germany, has good coking coal but lacks iron ore.

It is interesting to note, in this connection, that in 1871, when Germany acquired the Lorraine iron from France by the treaty of Frankfurt, neither nation was seriously affected by the mineral gain or loss. Although the existence of the Lorraine deposits was well known, the phosphorous content of the ore was so high that little or no use could be made of it. A scant seven years later, two Englishmen, Percy Gilchrist and Sidney Thomas, announced their epoch-making discovery of a simple method for the elimination of phosphorus from iron ore. So important was this new process that the Lorraine ore supplied regularly thereafter more than three-fourths of Germany's iron needs. Being in fortunate conjunction with the rich coal beds of the Ruhr, it became the foundation upon which the great German industrial expansion was built. It is scarcely surprising that France was

²¹ For estimates, see a publication of the World Power Conference entitled *Power Resources of the World* (London, 1925); also I. Lippincott, *Economic Resources and Industries of the World* (New York, 1929), chap. VI. For production in comparison with consumption, see the accompanying chart.

²² These and subsequent production statistics are from the League of Nations, *Statistical Year-Book, 1937-38* (Geneva, 1938), p. 134.

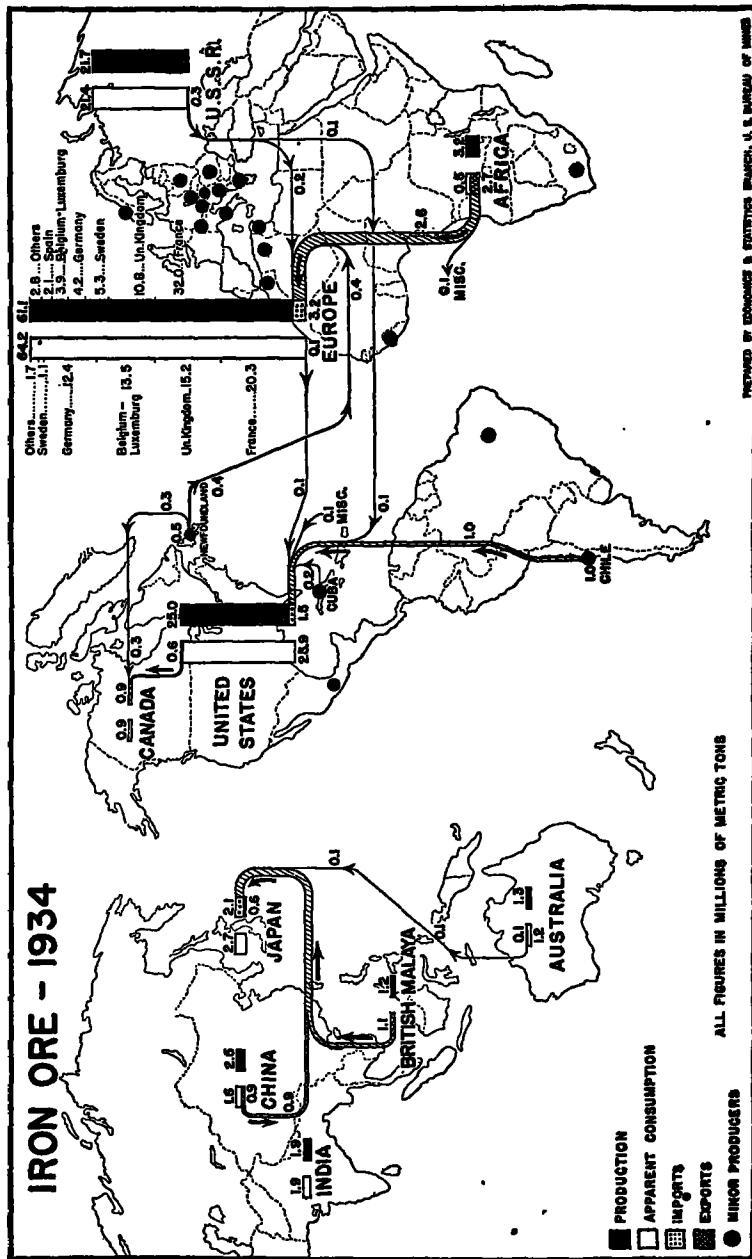


Fig. 3.—IRON ORE. WORLD PRODUCTION, CONSUMPTION, AND PRINCIPAL TRADE RELATIONS IN 1934.
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eager to seize the opportunity to regain control over these deposits and thereby to cripple her enemy.

Although copper was one of the first metals used by man it was speedily superseded by iron and, except for use in alloys, i.e., bronze and brass, it continued to be used chiefly in household utensils and personal ornaments. It remained in this secondary position until the advent of the electrical age when the discovery was made that copper is the best of all metal conductors of electrical energy. Immediately, its importance increased until, today, copper may definitely be regarded as the most important industrial metal next to iron. From a world production of scarcely 52,000 tons in 1850, the modern demand increased production, in 1929, to nearly 2,000,000 tons of fine copper. Like coal and iron, copper is not widely distributed in the earth's crust. Four-fifths of the world's copper production in 1936 came from Chili, the United States, Canada, and the Congo-North Rhodesia field. As late as 1925 the United States was producing 80 per cent of the world supply. Subsequently, however, the excessive price increases of the American copper cartel stimulated foreign production and, by 1937, the American share had declined to 36 per cent.²³

The other industrial metals of greatest importance are lead, zinc, aluminum, tin, and nickel. The United States is the greatest producer of lead, supplying annually about one-fifth of world production, and the United States, Australia, Mexico, and Canada together supply a total of 60 per cent. Minor producing areas are India, Spain, and Yugoslavia. Zinc, which is necessary for brass, pigments, and galvanized iron, comes chiefly from the United States, Canada, Mexico, Germany, and Australia. These areas account for nearly four-fifths of the total production, and the United States alone is responsible for approximately 30 per cent. Although the actual production of aluminum from bauxite had been achieved as early as 1854, it was not until thirty years later that a commercially practicable process was devised. In 1937, France, Hungary, Italy, Yugoslavia, and the United States together produced approximately three-fourths of the world's bauxite. Tin is even more highly concentrated. More than 60 per cent of the world's supply comes from the small area of the Dutch East Indies, Siam, and the British Malay states, and an additional 12 per cent is produced in Bolivia. Probably no metallic mineral is found in as few places as nickel. At the present time Canada supplies about 85 per cent of total world production and the French island possession of New Caledonia stands in second place with approximately 9 per cent.

Other metallic minerals whose importance cannot be overlooked are

²³ For an excellent table of comparative production figures, see Royal Institute of International Affairs, *Raw Materials and Colonies* (London, 1936), Appendix V.

manganese, vanadium, molybdenum, tungsten, chromium, antimony, and mercury. In each case the existing sources of supply are concentrated in a few areas. Manganese, so essential for the manufacture of good steel, is produced chiefly in Russia (52 per cent of the world's supply in 1936), but important deposits also occur in India and in the British colony of the Gold Coast. Certain other countries, among which is the United States, possess large reserves of ore of such a low grade that it is valuable only as an ultimate reserve against the time when the deposits of good ore approach exhaustion. Vanadium, which is important in the production of tool steel, comes almost entirely from three localities, the Cerro de Pasco region in Peru, Northern Rhodesia, and the former German colony of South-West Africa. Small deposits occur elsewhere but they are not as yet of commercial importance. Molybdenum, also used in tool-steel production, is now produced chiefly in the United States (91 per cent of the 1937 world production). Norway, Mexico, French Morocco, and Korea are the minor producers. Tungsten is used in industry chiefly in two ways: it imparts to steel such hardness that the metal may become red-hot without losing its cutting edge. Its other use is in the manufacture of filament for electric light bulbs, radio tubes, X-ray tubes, etc. Small deposits of ore are found in many parts of the world, particularly in the United States, China, the Malay states, and India. Chromium, which is the chief alloy added to produce the modern stainless steels, is also invaluable for certain parts of an automobile engine. The Soviet Union, Turkey, South Africa and Southern Rhodesia supply 70 per cent of present world production, but New Caledonia, Cuba and Yugoslavia are also important sources. Antimony has a host of uses, including alloys such as type metal, babbitt metal, and britannia metal. It is also necessary for battery plates, and its compounds are utilized in the manufacture of safety matches, white enamel, glass, and oil paints. China, Mexico, Bolivia, and Czechoslovakia are the principal countries in which it is found. Mercury is, of course, indispensable in scientific work, dentistry, and in the production of gold and silver. Spain is the chief source of supply, but the United States, Italy, and Mexico also produce quantities of commercial importance.

Of the nonmetallic minerals, petroleum is of paramount importance to our modern civilization. A shelf of volumes has been written on the international struggle for control over the sources of supply of this product. An analysis of the rôle of petroleum in world politics will appear later in this book, but it is necessary here to note its present geographic distribution. Leaving to one side the important question of the rapidly diminishing world reserves, present production figures indicate a sharp concentration in a few areas. In 1937, the figures for the leading producers were as tabulated on page 65.

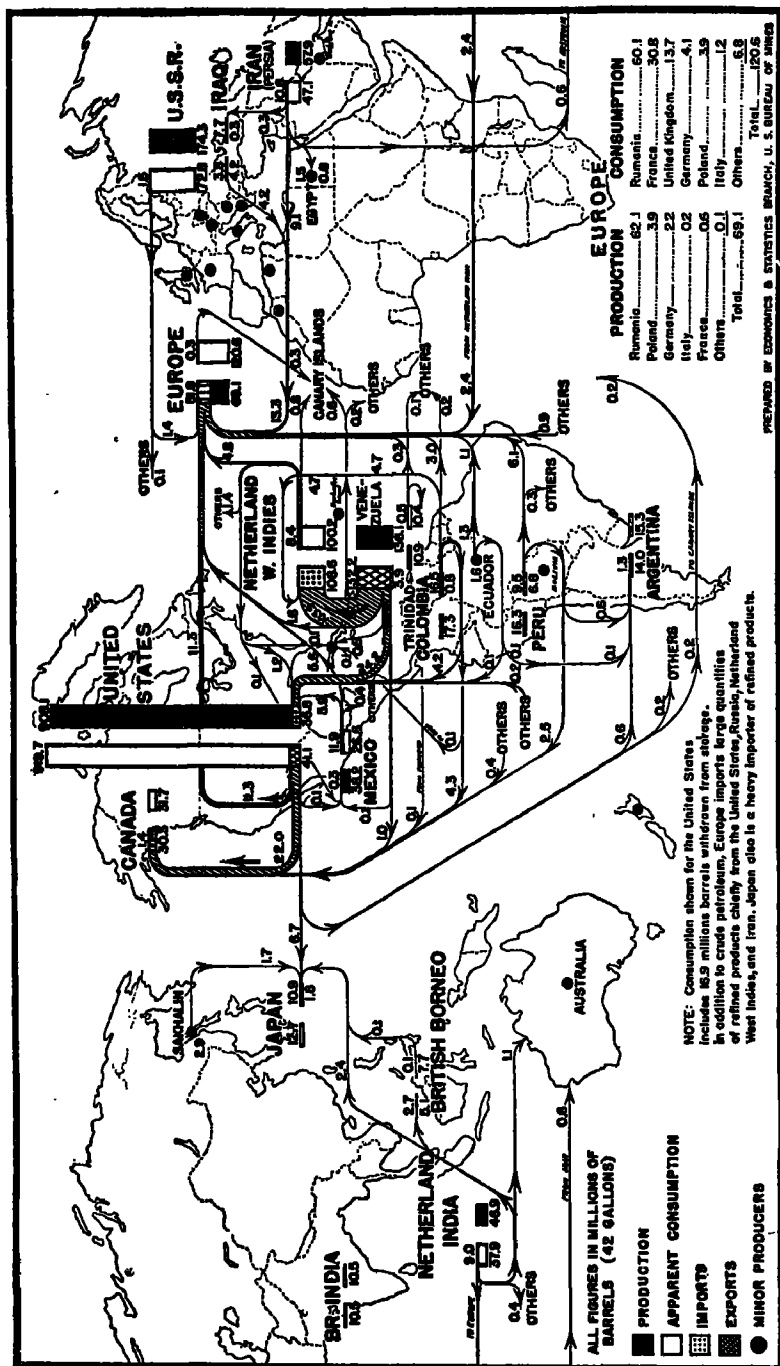


FIG. 4.—PETROLEUM. WORLD PRODUCTION, CONSUMPTION, AND PRINCIPAL TRADE RELATIONS IN 1934.

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TABLE II
PETROLEUM PRODUCTION ²⁴

	PERCENTAGE OF WORLD PRODUCTION
United States	62
Soviet Union	9
Venezuela	9
Iran	3
Rumania	2
Dutch East Indies	2
Mexico	2

The other nonmetallic minerals exhibit the same lack of wide distribution. Seventy-seven per cent of the world's sulphur is produced by the United States and 13 per cent of the remainder in Italy. Sixty per cent of the potash comes from Germany and 14 per cent from France. Canada produces 54 per cent of the asbestos, and Russia is second with 24 per cent.

Even in the case of the precious metals, gold and silver, the production is similarly concentrated. In 1935, the leading producers were:

TABLE III
WORLD PRODUCTION OF GOLD AND SILVER

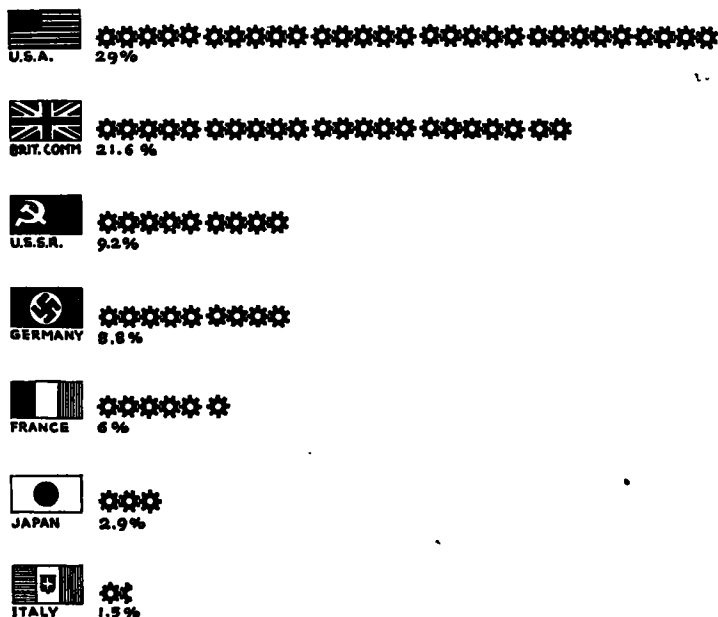
	GOLD (Per cent)		SILVER (Per cent)
South Africa	36	Mexico	34
Soviet Union (approximate)....	16	United States	22
Canada	10	Peru	7
United States	10	Canada	7
Australia	3		
Southern Rhodesia	2		
Mexico	2		

Two facts stand out from this survey of mineral production—facts which are of no little importance to world politics. First is the amazing extent to which mineral resources are geographically concentrated. Second, it will be observed that, with the exception of the United States and Russia, the great powers which consume most of these minerals do not themselves possess any great variety of important deposits. It is also quite incorrect to assume that the colonies are storehouses of minerals from which the deficiencies of the mother country can easily be supplied. In only eight cases (copper, tin, bauxite, manganese, chromium, tungsten, graphite, and phos-

²⁴ League of Nations, *Statistical Year-Book*, 1937-38, Table 64.

phates) does colonial production account for more than 10 per cent of total world production.

These facts being what they are, can the powers hope to achieve the national self-sufficiency which is praised by politicians as the proper goal of state endeavor? How far, in other words, are the states actually or po-



EACH SYMBOL REPRESENTS 1% OF TOTAL WORLD SCORE

FIG. 5.—HOW THE GREAT POWERS RANK IN TERMS OF MINERAL WEALTH.

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tentially self-sufficing in the matter of raw materials, mineral and otherwise? These questions, the answers to which shed much light upon current international problems, can be examined only on the basis of a brief factual survey of the position of each of the more important powers.²⁵

The frequency with which the United States has appeared in the foregoing mineral survey is an indication of the generosity with which this country has been endowed by nature. Coal, petroleum, copper, molybdenum, sulphur, phosphates, cotton, and vegetable oils are all produced in

²⁵ It must be borne in mind that, even though a state is an important producer of a certain raw material, its consumption needs may be so great that it is a net importer of that product, and, hence, it is not self-sufficient.

such quantities that, despite huge consumption demands, there remains an exportable surplus. Iron, lead, zinc, and timber exist in amounts adequate to serve all domestic needs. In a third class of partial dependency upon imports must be placed bauxite, mercury, magnesite, potash, wood pulp, flax, hides, and wool. Finally, there are the articles for which the country is wholly dependent upon imports. Among these are such items as tin, manganese, nickel, tungsten, chromium, vanadium, antimony, asbestos, graphite, platinum, rubber, silk, jute, hemp, manila fiber, shellac, coconut oil, palm oil, and sisal—an impressive list which, by its length and importance, should give pause to American politicians and publicists who believe that America could easily become a self-contained economic unit. It is needless to add that the United States is fully self-sufficient in the staple foodstuffs.²⁶

On the same basis of classification the Soviet Union has an export surplus of manganese, petroleum, asbestos, platinum, flax, and timber, while she is self-sufficient in coal, iron, mercury, phosphates, potash, magnesite, cotton, silk, jute, and vegetable oils. Soviet Russia, however, is partially dependent upon imports of copper, zinc, chromium, graphite, sulphur, and wool; while it is completely lacking in lead, tin, bauxite, nickel, tungsten, vanadium, molybdenum, antimony, rubber, jute, manila fiber, and sisal. It is obvious that the position of Russia with respect to many of these articles is likely to change as further exploration and development bring new sources into use. Conversely, the rapid industrialization of the country may soon create an import dependence upon many materials which today are produced in amounts adequate for all domestic needs. There is, of course, no dependence upon foreign food staples.

Excluding the Dominions, Great Britain and her colonies produce a surplus of coal, tin, manganese, graphite, and rubber. There is an adequate supply of bauxite, vanadium, phosphates, sisal, and vegetable oils. Iron, copper, sulphur, cotton, and wool must be partially imported, and there is an almost complete lack of many things, such as lead, zinc, nickel, tungsten, chromium, molybdenum, magnesite, antimony, mercury, petroleum, asbestos, potash, platinum, silk, flax, jute, hemp, manila, and timber. Apart from her colonies, Great Britain does not possess any mineral except coal in an adequate amount for present needs. Well-known also is the striking British dependence upon foreign supplies of foodstuffs. A London housewife will be offered oranges from Brazil, bananas and tomatoes from the Canary

²⁶ These and the following lists are based upon the Royal Institute of International Affairs, *op. cit.*, p. 29; B. Emeny, *The Strategy of Raw Materials* (New York, 1934), *passim*; and E. D. Durand, *American Industry and Commerce* (New York, 1930). If the Philippine Islands are included as a portion of the United States, coconut oil and manila fiber should be placed in the first, or self-sufficient, class.

Islands, fresh meat from Australia, New Zealand, and Argentina, and eggs from Holland, Denmark, Australia, and even China.

France, together with her colonies, is nearly self-sufficient in foodstuffs. She has an export surplus of iron, graphite, bauxite, and potash. There is an adequate supply of nickel, chromium, molybdenum, phosphates, flax, and vegetable oils. There is partially enough timber, coal, and antimony, but a virtually complete dependence on imports of all the other important raw materials.

When the positions of Germany and Italy are considered, it is not difficult to understand why the leaders of these states have been able to exploit politically the existing handicaps under which the people labor. Coal and potash are the only two raw materials possessed by Germany in an amount sufficient for her needs. She has some, but not enough, iron, magnesite, graphite, sulphur, and timber. Everything else must be imported. Little wonder that this appalling lack can be canalized into a popular, though economically specious, demand for colonies. To make matters worse, the country is not self-sufficient in foodstuffs, especially in edible fats and oils, and, although the German people have demonstrated that they can live for a long time virtually without food imports, it has not been shown that this can be done without a serious effect upon the nutritional condition of the masses. Even after the strenuous efforts of the Hitler government, one German out of every five was still dependent upon imported food at the end of 1935.

Italy is in some ways not quite so badly off, as she possesses enough vegetable oil, bauxite, lead, and zinc, and a surplus of hemp, silk, sulphur, and mercury. Yet she, too, is partially dependent upon imports of antimony, magnesite, asbestos, and graphite, and wholly dependent upon imports of everything else, including, obviously enough, nearly all the basic industrial raw materials. Thanks in part to the low standard of living of the Italian masses, and thanks also to the recent energetic program of agricultural development, the country is substantially self-sufficing in most food staples except fish and meats.

Japan provides still another illustration of a great state which is notably lacking in basic raw materials. Excluding the puppet state of Manchukuo, the Japanese empire has a surplus of only two raw materials, silk and phosphates. There is enough copper, coal (but not coking coal), and graphite; and there is partially enough iron, lead, zinc, manganese, tungsten, chromium, sisal, timber, and asbestos. All the other raw materials must be purchased abroad. Although population pressure is extremely great and the topography of the land makes it impossible to cultivate as much as one-fifth of the total area, Japan is still substantially able to provide enough food for her population. It is doubtful whether this would be possible if

it were not for the fact that the Japanese rely almost exclusively upon fish for their meat supply.²⁷

In order to complete this picture it is necessary to draw attention to the effects of foreign ownership of supplies of raw materials. Viewed in this light, the positions of the United States and the United Kingdom appear still more advantageous. In 1929, 3 per cent of the petroleum, 1 per cent of the iron ore, 25 per cent of the copper, 12 per cent of the lead, and 10 per cent of the zinc produced in that year, came from American companies operating in foreign territories. Similarly, the holdings of British capitalists outside the United Kingdom were responsible for 10 per cent of the world's petroleum production, 6 per cent of the copper, 32 per cent of the lead, and 20 per cent of the zinc. French foreign controls accounted for 3 per cent of the copper, 6 per cent of the lead, and 10 per cent of the zinc. Foreign raw materials controlled by other powers are virtually negligible. Thus it happened that even though Italy produced in 1934 4 per cent of the world's lead and 2 per cent of the zinc, the production was largely under foreign ownership. The same situation held for Spain.²⁸

Important minerals chiefly found in politically weak areas are likely to be controlled by a few great foreign or international corporations. The rôle of American and British capital with respect to foreign petroleum fields has been alluded to above. Tin offers another good illustration of this point. "Practically the entire tin production of the world is controlled by three major groups. The first is the Anglo-Oriental Mining Corporation, which includes the tin interests of Malaya, Nigeria, Siam, Burma, Japan, and Great Britain. The second is the Bolivian-American interest which controls the Bolivian mines, and the third is the Dutch interests in the Dutch East Indies."²⁹

Among nonmineral raw materials the case of rubber is important. Although recent figures are not readily available, plantation rubber areas in 1927 were owned by foreign interests to the following extent: British, 42 per cent; Dutch, 11 per cent; French, 3 per cent; American, 2 per cent; Belgian, 1 per cent.³⁰

The one fact of capital importance which emerges from the foregoing survey is that, although no nation is free from external dependence for

²⁷ "Since 1889, the per capita consumption of meat has risen from about one to four pounds per year. Though it represents a fourfold increase, the present amount is insignificant in comparison with the annual consumption of 145 pounds per capita in the United States for the four year period, 1922 to 1926."—J. E. ORCHARD, *Japan's Economic Position* (New York, 1930), p. 19. By contrast, the Japanese consume 350 pounds of rice per capita per year.

²⁸ W. P. Rawles, "Control of the Principal Minerals by the World Powers," in *Elements of a National Mineral Policy* (New York, 1933), pp. 25-29.

²⁹ H. R. G. Greaves, *Raw Materials and International Control* (London, 1936), p. 118.

³⁰ Rubber Growers Association, *Statistics Relating to the Rubber Industry* (London, 1928),

necessary raw materials, the combination of the vast American and British domestic and foreign holdings has produced an astounding concentration of control over the bulk of the world's supply of important raw materials. Together, they supply half the world's coal and iron, and three-fourths or more of the oil, copper, lead, and zinc. The political implications of this concentration of mineral control are, potentially at least, of profound significance to the world.

IV

.. POPULATION PRESSURE

"When any country is overlaid by the multitude which lives upon it, there is a natural necessity compelling it to disburden itself and lay the load upon other, by right or wrong."—SIR WALTER RALEIGH

"Prolific nations have a right to Empire . . . nations with empty cradles cannot conquer or keep empires."—MUSSOLINI

A STATE is something more than a governmental unit occupying an area of a certain shape, relief and climate. It is also an aggregation of human beings, whose number, quality, and loyalty determine its power and stability. It is possible for a state to exist with almost no territory, e.g., the Vatican, but a state without a population is a contradiction in terms. In modern times the governing officials of many states have become much concerned over the population question. They have come to believe that there is an intimate connection between population and power, and they have sought to influence the quantity and quality of population by political devices so as to enhance that power to the utmost. With this end in view, some governments have in the past encouraged emigration if the population has seemed too great for the size and resources of the country. Others have encouraged an increase in population density and have then asserted that their overcrowded condition offered an ample and "natural" justification for forcible expansion into less populated regions. Still others have sought to use a variety of discriminatory measures in order to improve the quality, according to their own standards, of the existing and future population. Since these political attempts to alter the size and character of the population have had inevitable repercussions abroad as well as at home, it is easy to see why the population question, broadly considered, must be viewed as one of the chief sources of contemporary international friction.

Before examining the population problems and policies of some of the great powers, it is necessary to have a preliminary understanding of the world's population situation and the trends which it seems to exhibit. In this connection a word of warning is appropriate. The actual population statistics for a large part of the world are lamentably deficient. We do not know with any exactness the total population, past or present, of a large

part of the earth's surface. In many countries, such as China and Iran, no official census has ever been taken. Moreover, about two-fifths of the world's inhabitants live in countries where no vital statistics are recorded.¹ In many others the records are so poorly kept, or are kept by so many different methods, that it is well-nigh impossible to derive from them any authoritative conclusions concerning actual population movements. If this is true for the world of the twentieth century, it is easy to imagine the difficulties encountered by a professional student who wishes to reach even a reasonably accurate conclusion about the total population and the demographic trends in the world of earlier times. It is a remarkable tribute to modern scholarly perseverance that such knowledge is as extensive as it is.

At the present time the total population of the world is probably slightly in excess of two billions.² More than half of these people live on the continent of Asia. Europe, despite its limited area, accommodates more than one-fourth of the total, and Africa and North America have about 7 per cent each. South America, though nearly twice the size of Europe, has less than 5 per cent, while the islands of Oceania, including Australia, account for less than 1 per cent. Expressed in another way, the continent of Europe has an average of 120 inhabitants per square mile, Asia has seventy, and North America has only eighteen. It is clear that the world's population is far from evenly distributed over the great continental areas.

POPULATION TRENDS

Although there is no way in which the matter can be stated with scientific proof, there is every reason to believe that, until very recent times, the population of the world remained virtually the same throughout many centuries. The birth rate must have remained at about the same level, and the great checks of war, famine, and disease took their regular toll of human life. In Europe, the gradual stabilization of economic and political conditions which accompanied the close of the Middle Ages and the dawn of the Modern Era, reduced to some extent the frequency of wars and deaths through violence and, by the emancipation of the serfs, made possible the conclusion of earlier and more numerous marriages. Under such circumstances, the population began to increase slowly and, by 1750, it had probably reached a total of around 140 millions. This gradual increase continued and, by the end of the eighteenth century, the European total

¹ R. Kuczynski, *Population Movements* (London, 1936), p. 3.

² The most recent estimate by the League of Nations (*Statistical Year-Book, 1935-36*, p. 24) is 2,077,000,000. Kuczynski, *op. cit.*, believes that the total lies between 1,880 and 2,260 millions.

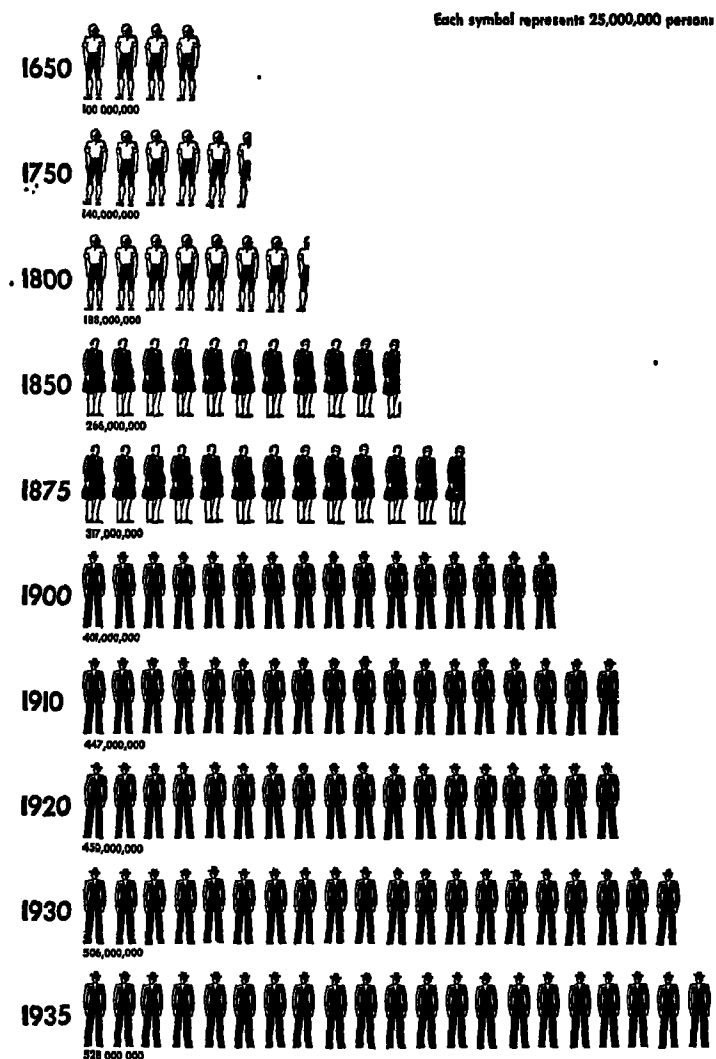


FIG. 6.—HOW EUROPE'S POPULATION HAS GROWN.

Reproduced by permission from *Bricks Without Mortar*, by Varian Fry. Copyright, Foreign Policy Association, 1938.

had grown to about 187 millions.³ Since that time there has occurred the most startling phenomenon in the demographic history of mankind. The European population, so long virtually stationary, now began to increase, decade after decade, with such startling rapidity that, by the end of the nineteenth century, the census figures revealed a total of more than 400 million persons. At no previous time in human history had the population of an entire continent, unaided by immigration, more than doubled in a single century. And this amazing growth continued! Despite all the ravages of the World War, the population of Europe today stands at approximately 530 millions. A natural increase from less than 200 millions to more than 500 millions in less than 135 years would seem an impossibility if it were not substantiated by the figures emanating from unimaginative census offices.

Nor is this the whole story. The nineteenth century was a time of great European emigration to nearly all parts of the world. It is true that some of these emigrants returned to Europe, but a much greater proportion remained in their new-found homes. No comprehensive emigration figures for the entire century are available, but, in the period from 1846 to 1932, more than 50 million Europeans are known to have emigrated. Even if only 60 per cent of these people remained permanently away from Europe, there would be an impressive addition of 30 millions, not to mention their subsequent progeny, to the totals cited above.⁴

It is not surprising that this almost incredible growth should have led a host of scholars to attempt an investigation of its causes and the extent to which it could be expected to continue in the near future. Were economic changes chiefly responsible? If so, was the new rate of increase destined to continue until there would literally be "standing room only" upon the old continent? Some idea of the problem can be gained from the conclusions of scientists who have computed what would have happened if the growth had started at an earlier time, or what might be expected to happen if it should continue for any appreciable length of time in the future. It has been estimated, for example, that if the white population of the world had increased since 1300 A.D. as it has increased since 1770, it would now number 40 billions. This would mean the world would have 20 times its present population, and it would also mean that the entire globe would be as densely inhabited by white men as England is at the present day.⁵ Other students have pointed out that the population of England and Wales

³ A. M. Carr-Saunders, *World Population, Past Growth and Present Trends* (London, 1936), p. 30.

⁴ Carr-Saunders, *op. cit.*, p. 49. See also M. R. Davie, *World Immigration* (New York, 1936), *passim*.

⁵ Kuczynski, *op. cit.*, p. 24.

doubled in the 60 years prior to 1911. If this growth should continue for the next 360 years the English population would reach the almost inconceivable total of 2,304,000,000, which is greater than the present population of the entire earth. Yet 360 years is but a small segment of English history. It just separates the reign of King Edward VI from King Edward VII.⁶ Another student has calculated that if the nineteenth century rate of increase should continue for the next two centuries, the world's population in the year 2169 would reach the staggering total of nearly 16 billions.⁷

The causes of this unique phenomenon are not difficult to ascertain. It has been shown conclusively that there has been little or no change in the birth rate. Until the last half-century the ratio of births to the total population remained about where it had been at the time of the earliest recorded vital statistics. Thus, the increase was caused, not by any newly developed fecundity, but the sharp decline of the death rate. The conquest of disease, which resulted from the brilliant discoveries of modern science, destroyed with startling rapidity the power of the one check which since the dawn of history had taken its inexorable toll of human life. Other checks—war, famine, violence—had operated sporadically to shorten the span of man's allotted years, but, all the while, disease, profiting by man's ignorance of its causes, had continued to thrive. When, at last, men began to look for help, less to the heavens and more into their microscopes, the victory was at hand. Especially striking have been the effects of this new knowledge upon the appalling infant mortality of former times. In France, as late as 1750, only 540 out of every 1000 babies survived until the fifth year and only 484 until the tenth year. Until about 60 years ago, 300 out of every 1000 German babies died during the first year, and the rate is still over 100 in many countries of eastern Europe today. In England, the infant mortality rate, i.e., deaths of children under one year in relation to each 1000 live births, was over 130 at the opening of the present century. Today, it stands at 57. Swedish infant mortality has been reduced from over 100 at the opening of the present century to 47. Even yet this spectacular battle for the lives of children goes on to new victories. In the years from 1928 to 1935 the rate in the United States was reduced from 69 to 60, in Mexico from 193 to 140, in France from 92 to 69, in Germany from 86 to 66, and so on.⁸

This new development can be even better illustrated by the lengthening span of human life. A hundred and fifty years ago the average expectation of life in Europe was not over 30 years. In England and Wales it

⁶ Harold Cox, *The Problem of Population* (London, 1922), pp. 20-21.

⁷ Sir George H. Knibbs, *The Shadow of the World's Future* (London, 1928), p. 12.

⁸ League of Nations, *Statistical Year-Book*, 1935-36, Table 7. Kuczynski, *op. cit.*, p. 28. W. S. Thompson, *Population Problems* (New York, 1935), pp. 180-81.

stood in the middle of the nineteenth century at 39.9 years for males and 41.8 years for females. In 1789, it was only 35 years in the United States. Today, in the United States, much of western Europe, and the British dominions, it averages 60 years or over, and in New Zealand it has reached 65 years, the highest figure yet recorded. This does not mean that there has been any marked change in increasing the span of life for those who have reached the age of 60, but it does mean that a much greater proportion of the population will now live to that age.

Along with these effects of modern medicine and hygiene, improved economic and political conditions played a part in producing this sudden increase in European population. Great political stability, industrialization, improved means of transportation, and the application of machine techniques to agriculture all aided in making it feasible for a given area of the world to support a denser population than would have been possible in preindustrial times. As early as the end of the eighteenth century, Malthus had perceived the close correlation between population growth and an improvement in the means of subsistence, and, although his gloomy predictions, which were based on this relationship, are no longer widely accepted, it is nonetheless to his credit to have drawn the world's attention to this relationship.

But what of the future? It should not be assumed that the world is doomed to witness such a terrifying increase in population that food and all other resources will soon be exhausted by billions of hungry mouths. Quite to the contrary, there are new and potent forces at work which may soon reduce the population of many countries below existing levels. First and foremost is the new scientific limitation of offspring. From the dawn of human history, families have frequently attempted to limit the number of their children, often by crude and cruel means. It is well known that many savage tribes practice abortion and infanticide, but it should also be remembered that infanticide was not unknown in ancient Greece and Rome. Although the influence of Christianity caused this barbarous custom to decline in Europe, it continued in many portions of the Orient until fairly recent times. Today, in the more advanced countries of the Western world, such primitive methods have been replaced by contraceptive practices which are so successful and so widely used that the birth rate has begun to decline. It is this result of modern science which now threatens to neutralize the effects of the conquest of disease. In England and Wales, for example, the crude birth rate, i.e., the births per thousand of population, averaged 31.6 in the years 1838-1842. This had declined by 1935 to 15.2. In France, the rate decreased from 31.4 in 1808 to 15.2 in 1935. In Germany, it fell from 36.1 in 1850 to 14.8 in 1933. Naturally, the spread of contraception is not the only cause for this sharp drop in natality, for one must take into

account many economic and psychological factors, but it is clearly the one which is chiefly responsible.

This declining birth rate must be compared with the declining death rate in order to arrive at a crude estimate of population growth. When this is done, it will be perceived that, although most countries exhibit an annual excess of births over deaths, the amount of the gain is regularly declining, and in some countries the figures for recent years indicate an alarming excess of deaths over births. Thus, for example, there were in France nearly 12,000 more deaths than births in 1937 and there were 154,400 fewer births than the 1921-25 average. The annual number of marriages had declined by more than 150,000 in the same period.⁹

Although this rather striking plight of France can be ascribed in part to the effects of the World War, the same general trend is exhibited in so many countries that there is a growing and justifiable fear that the population of most of the advanced states seems destined to decline sharply in the coming decades. In this connection, it should be noted that a population may not be maintaining itself even though there is an apparent annual excess of births over deaths. More significant is the number of female children which are born. If the population is to maintain itself, there must be an average of one female child born to each woman. Fifty years ago, the western European average was more than two. At the present time only about ninety girl babies are being born to each hundred women. If this trend continues, the population of western Europe is destined to die out.¹⁰ Although in many other countries the reproduction rate is still above unity, the rate is lower than it was half a century ago and it seems likely that it will soon fall below unity. Not all countries are so situated. There is a third group in which the proportion is still sufficiently high to indicate a genuine growth. Such a condition is found in Russia, Japan, Italy, and the United States.

One may conclude from this discussion that, although the population of the Western world has exhibited an enormous increase in the past century, the factors which produced this have nearly spent their force. It is unlikely, for example, that the coming achievements of medicine can go much further in reducing the death rate in the more advanced countries. The remainder of the world can be brought up to the present level, but that is probably all. On the other hand, the decline of the birth rate, as produced by the widespread adoption of contraceptive practices, is likely to be accelerated rather than retarded by future developments. Already, there are many populations which are scarcely maintaining themselves and

⁹ League of Nations, *op. cit.*, Tables 4, 5, 6.

¹⁰ R. Kuczynski, *The Balance of Births and Deaths* (Vol. I, New York, 1928; Vol. II, Washington, D. C., 1931), *passim*.

there are many others which will in all probability not long continue to do so. Far from an overpopulated world, the scientist offers us the prospect, or at least the possibility, of a declining population for most of the areas now inhabited by the white race.

POPULATION
PRESSURE TODAY

This analysis of the current world trend should not lead one to underestimate the political importance of the gross disparities which exist today. There are areas of high population pressure and areas of low pressure and this fact has much significance for contemporary international relations. The great areas of high pressure are portions of western Europe and eastern Asia. The low pressure regions include parts of the United States, Canada, South America, Australia, Russia, and New Zealand. The following table of specimen densities indicates the extent of the difference between these two classes of countries.

TABLE IV
POPULATION DENSITIES

High Pressure

	INHABITANTS PER SQUARE MILE
Belgium	708
England	701
Holland	642
Japan proper	474
Germany	372
Italy	356

Low Pressure

United States	42
Soviet Russia	20
South Africa	20
New Zealand	15
Brazil	13
Argentina	12
Canada	3
Australia	2

This table shows clearly that certain countries are very sparsely inhabited, while others, comparatively speaking, are teeming with people. But it would not be safe, because of this fact, to assume that the countries

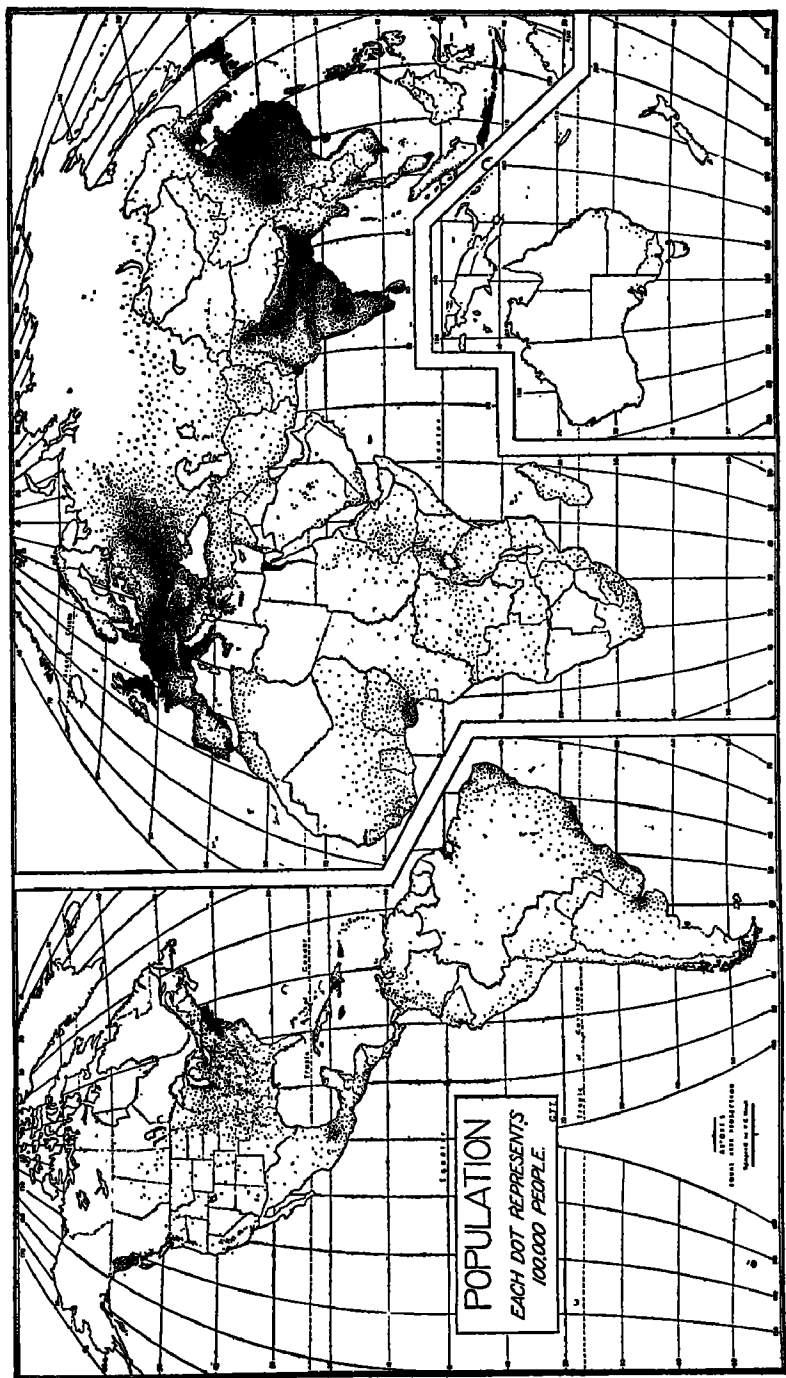


FIG. 7.—THE WORLD'S POPULATION DENSITY.
 From Finch and Trewartha, *Elements of Geography*, courtesy of McGraw-Hill Book Company.

in the first list are dismally overpopulated, and those in the second, underpopulated. It may be that this is true, but such a conclusion cannot be safely reached without a careful comparative study of the countries concerned. An industrial state like Japan cannot fairly be compared with a predominantly agricultural state because the one is equipped to maintain a far more dense population than the other. Since there is so much popular confusion on this subject, it is well to remember the warning of Professor Carr-Saunders that "it must not be assumed that, because we know that there must be a certain density of population which is more desirable than any other in every country at any given time, we can say what it is from our knowledge of the prevailing conditions. We can in fact do nothing of the sort; there is no way by which we can even begin to make such a calculation. If we cannot do that, is it possible to say whether any country, as it is now, is under- or overpopulated? There is no infallible and universally applicable test."¹¹

As the same author goes on to point out, it is possible to make some comparisons between two agricultural countries and to examine whether, in the one where the size of the farms is small and the amount of unit labor is large, the inhabitants seem to have to exert greater energy to earn a living than in the case of a country where the farms are larger but where farming technique is no further advanced. This is obviously a suggestive basis for comparison but it is not one which can be easily applied. Even so, rough as it is, it is a better measuring stick than any which can be found for the comparison of two industrial states. The existence of prolonged and serious unemployment, which is frequently suggested as a criterion, is clearly of little value, for the United States, which is by no means overpopulated, has recently had widespread unemployment.

But, even if it is true that no scientific tests can be used to determine when a densely populated state is actually suffering from overpopulation, it is true, nonetheless, that there do exist important differences in population pressure between the two groups of countries cited above. It cannot be denied that some countries, such as Russia, the United States, and the British Dominions, do have a vast supply of land and raw materials in proportion to the number of their inhabitants. Others, like Belgium and Holland, have an extremely dense population, but they possess extensive colonial areas. Still others, i.e., Italy and Japan, have a dense population, some colonies and some few, but by no means enough, raw materials. Finally, there is Germany with its great population, few raw materials, and no colonies. This is not the proper place to discuss the value of colonies as a means for alleviating population pressure, but however that may be,

¹¹ Carr-Saunders, *op. cit.*, pp. 137-38.

these differences of status are so striking that they are capable of easy and dangerous exploitation.

As a matter of fact, these differences become important to international relations when, and only when, the people of a state become conscious of the existence of a population problem and seek to do something about it. Thus, it is not so much the *actual* overpopulation as the *feeling* of overpopulation which is politically significant. Similarly, a sparsely populated state does not create an international problem if it is wholly unconcerned about its situation. It does create difficulties when, having become conscious of a problem, it adopts a policy of retaining its low-pressure status by means of rigid and discriminatory immigration laws. In other words, the great population pressure differences are not in themselves important politically, but they do acquire a portentous significance if and when they incite a people to adopt policies based upon them. Especially in a time of economic recession is it possible for a skillful political leader to capitalize popular discontent and to rouse support by proclaiming that population pressure and an unfair distribution of the bounties of nature are the root causes of the trouble.

GOVERNMENT POLICY AND THE POPULATION PROBLEM

On the basis of this introduction, it is necessary to examine some of the actual ways in which population pressure differences seem to affect national policies and international affairs. First of all, there is the problem arising out of differences in population trends or changing alignments among countries which in the past have had a relatively equivalent number of inhabitants. The assumed connection between population and military power is such that when this does occur, it tends to upset the political equilibrium. It is not without significance that most of the great powers were relatively evenly matched in the matter of population in the last quarter of the nineteenth century. In 1890, for example, Russia had ninety-two millions; Germany, forty-eight millions; France, thirty-eight millions; Austria-Hungary, forty millions; Great Britain, with Ireland, thirty-eight millions; and Italy, thirty millions.¹² Since Russia could not assume the preponderant rôle to which her great population might otherwise have entitled her, the remarkable population equality of the other powers was one of the factors which made possible a policy of peace through a balance of power, i.e., France and Russia together had 120 millions, while Germany, Austria-Hungary, and Italy had a combined total of 118 millions. When

¹² For a convenient compilation of historical population figures, see W. L. Woytinsky, *Die Welt in Zahlen* (Vol. I, Berlin, 1925).

Italy had presumably given signs of defection from her alliance, and when Great Britain joined the entente powers, the balance was destroyed.

The policy of France in the prewar period was profoundly influenced by changing population trends. In 1860, the states which a decade later coalesced into the German empire had a combined population of thirty-eight millions, while France had 37.4 millions. By 1910, the French population had increased by less than three millions while the German population had registered an amazing growth of 26.5 millions. Under such circumstances, and with the memory of the Franco-Prussian war still fresh in their minds, it is not surprising that the French should have striven for some means to offset the growing German population superiority. Even more pertinent than the formation of European alliances was the French policy of colonial expansion and the resulting decision, in 1912, to adopt a policy of developing a colonial army for possible use in Europe. Thus it came about that, because the German population grew faster than the French, thousands of Senegalese and other West African natives donned uniforms and died on the western front. Since the War, the French search for security has been similarly motivated by a desire to meet the continued German population superiority. The same motive has influenced French policy concerning the birth rate. M. Georges Pernot recently declared: "We are assured that there will be bold reforms in the near future in order that France may be strong, prosperous, and free. France can not be free if the cradles are empty. . . . They are the safety of the country."¹³

A second way in which population differences have influenced international affairs is in the matter of migration. Throughout the nineteenth century and until the outbreak of the war there was a continuous stream of European and Oriental emigrants to new lands. A part of this movement was caused by the discontent of the migrants with political conditions at home. Much of it was due to the conviction that economic opportunity in the less populated countries was better than at home. The governments of the densely populated states removed the eighteenth century restrictions on emigration and frequently offered direct financial aid to citizens wishing to emigrate. Italy reduced emigrant railway fares to ports of embarkation. Great Britain for a time gave inducements to persons willing to go to other portions of the empire. Switzerland and Japan also aided emigration. As has been indicated earlier, more than fifty million Europeans have gone out from that continent since the middle of the last century.

Until recent years, the countries which received these newcomers were more than willing to welcome them. Americans took pride in the fact that so many people were willing to follow the path of the Pilgrims and seek a

¹³ *Le Temps*, 19 May 1936.

new and freer life in the New World. But this condition was not destined to last. The stabilization of political conditions and the economic improvement in northern and western Europe caused a decline in the volume of emigration from that region and, when the immigrants began to come in increasing numbers from southern and eastern Europe and the Far East, a torrent of protest arose. Moreover, this change coincided with sharp economic change in the United States. Free land was beginning to disappear. Industry was developing a new need for unskilled labor. Consequently, these new immigrants clustered about the mines and factories and did not become readily assimilated into the American way of life. It was natural, therefore, that the growing power of organized labor and the lusty vigor of American nationalism should have combined to favor increasingly rigid immigration restrictions. Until the World War these restrictions were purely qualitative for all except the Chinese, but after the War there was a widespread American fear that the country might be almost inundated by a wave of immigrants who might seek thereby to escape the burdens of European reconstruction. In 1921 and 1924 this fear led to the enactment of new legislation which now completely excludes Japanese, as well as Chinese, and which has established European quotas allowing a total of only 153,774 persons to enter each year. One can realize how rigid this quota system is if it is remembered that in the decade from 1901-1910 the United States received an annual average of over 200,000 immigrants from Italy alone. Equally significant was the decision to allot quotas in such a fashion as to discriminate against the peoples of southern and eastern Europe. Thus, for example, the present Italian quota is under 6,000 a year in contrast to the British quota of 65,721. Only 15 countries have quotas of more than 1000 a year.

With the exception of certain parts of South America, other low-pressure countries have taken similar measures since the War to erect barriers against an influx of foreign settlers. South Africa has created a list of "scheduled" and "non-scheduled" countries, and immigration from the former class is limited to fifty persons a year. Australia and New Zealand have various limitations, i.e., the requirement of landing permits and a rule applied by the former that a person may be asked to show literacy by writing a dictation in any language, presumably, but not necessarily, his own. Also, these countries have each given the administrative authorities the right to exclude undesirable immigrants. Canada, like the United States, has restrictive qualifications for all immigrants. Beyond this, the Canadian authorities tend to admit relatively few persons unless they are north European in origin. It is noteworthy that, by one device or another, Canada, Australia, New Zealand, and the Union of South Africa have all succeeded in completely stopping Chinese and Japanese immigration.

By these new barriers emigration from many of the most thickly populated countries has been dammed at the source. To what extent this has aggravated the economic situation in the emigrant states may be problematical, but it has assuredly created a situation which can be exploited by political leaders. The case of Italy is illustrative and significant. The country is less than half the size of Texas and, as was shown in a previous chapter, it is extremely deficient in nearly all the industrially important raw materials. The population density is approximately the same as that of Germany. In the years since the unification of the Kingdom of Italy, a total of approximately ten million Italians have emigrated to foreign countries. Despite this heavy drain, the natural excess of births over deaths has been so great that the total population has increased by nearly eighteen millions since 1872.¹⁴ With postwar emigration largely cut off, there has continued to be an excess of births over deaths of about 400,000 a year. In other words, a poor and crowded country must somehow manage to absorb and provide food and work for nearly half a million more persons each year. This is in striking contrast to the situation in France where, with almost no emigration, the population has increased by less than six millions during the same sixty-four year period.

The plight of Japan may also be cited. In 1872, the first census taken after the restoration of the power of the Emperor revealed a total population of thirty-three millions. Thereafter, came rapid industrialization, economic progress, and a truly amazing growth in population. Unchecked by extensive migration (excluding Manchuria, only 700,000 Japanese reside abroad), the population, according to the 1936 figures, has now reached the total of more than seventy millions living in Japan proper. The population has more than doubled in sixty-four years. At the present time there is an average of a million more births than deaths each year. Some idea of the problem of feeding an added million persons each year can be gained from the fact that Japan proper is smaller than the state of California. Indeed, the entire Japanese empire is not as large as the state of Texas. Moreover, the rugged character of the islands is such that only 15.4 per cent of the area can be cultivated. It is little wonder that the population density upon the arable portions of the country is almost incredibly great.¹⁵

With but few emigration channels still open, the problem of countries like Japan and Italy, which are continuing to increase so rapidly, is admittedly a serious one. They cannot go on absorbing for an indefinite time in the future these enormous annual increments to their populations. Since

¹⁴ The present Italian population is 43,843,000. *Corriere della Sera*, 22 January 1936.

¹⁵ For a good but brief discussion, see W. R. Crocker, *The Japanese Population Problem* (London, 1931). Also J. R. Orchard, *op. cit.*, chap. II, and W. S. Thompson, *Danger Spots in World Population* (New York, 1929), chap. II.

the rate of fecundity is falling in both countries, it is possible to look forward to a somewhat less rapid increase in the future; but there is as yet little or no reason to believe that either population is approaching a condition of early stability.¹⁰ Must they, therefore, continue this increase until a falling standard of living and deteriorating economic conditions accelerate a declining birth rate and a mounting death rate? Or, if not, is there some other possible solution to the problem, one which is favored also by other countries, like Germany, where the increase is not great but where the existing density bears heavily upon the means of subsistence?

It is no mere accident that these areas of great density and rapid increase are all partially industrialized. It may be argued with much plausibility that it was the shift from agriculture to industry that has made it feasible for a given area to support a population which, under a purely agricultural economy, would have been wholly impossible. Yet, true as this is, once the process of industrialization has been started in a country and has brought in its wake a concomitant population increase, it is necessary, when modern science brings a lowered death rate, for the government to care for the growing number of its people by the specific encouragement of further industrial development. This is a first solution for the population problem.

But a successful policy of industrial development rests upon the possession of, or easy access to, a supply of raw materials upon which industry depends. And it is precisely in this respect that Italy, Germany, and Japan have found this solution difficult in recent years. Having few minerals and an insufficient food supply, these countries have been compelled to develop an economy which is based upon a large volume of necessary exports. In other words, they have had to maintain a policy of export expansion in order thereby to gain sufficient foreign credits to pay for their imports of food and raw materials. Both Italy and Japan were late in industrialization, and Japan, especially, has had to rely upon special trade devices which might enable her to break into and hold a necessary share of the world market. Industrial efficiency had to be developed to the highest possible point, a policy followed with conspicuous success also in Germany. Labor costs had to be kept at the lowest possible point. In addition, both countries had to rely upon the development of a foreign demand for goods which could be produced by the special national skills of the people. Production of handicraft articles, *objets d'art*, optical instruments, toys, and so on, helped to meet this need. Skillful and cheap imitation of goods pro-

¹⁰ For a summary of estimates concerning Italian prospects, see Carr-Saunders, *op. cit.*, p. 128. For Japan, see Crocker, *op. cit.*, chap. IV. For a more optimistic view concerning Japan, see B. Lasker and W. L. Holland (eds.), *Problems of the Pacific, 1933*, Proceedings of the Fifth Conference of the Institute of Pacific Relations (Chicago, 1934), chap. V.

duced by other countries has been a feature of Japanese commercial policy.

A solution of the population problem through policies of this kind enables a country to be fairly prosperous and to absorb an annual population increment only so long as the general volume of world trade continues to increase. But when a depression comes and the great importing countries begin to restrict their purchases, partly by means of trade barriers and partly by a decline in purchasing power, the situation becomes more difficult. Japan has attempted to maintain and develop her exports by currency depreciation, but such a policy, though it may temporarily have a brilliant success, cannot be a permanent solution because of the added burden upon import costs. Another expedient is the development of all possible domestic raw material and food resources, so as to enable the country to use all available foreign exchange for purchases of goods which must be imported. The present régime in Germany has pursued this policy with great vigor. Reference may also be made to Mussolini's famous "Battle of the Grain" by which he successfully dramatized a program of increase in wheat production.

But such devices, however appealing they may be as temporary measures, cannot be of great or lasting value. Other countries reënforce their trade barriers against import competition from countries with a devalued currency. This has been done by many countries in the Pacific area to assure special protection against Japanese textile imports. Moreover, exports of handicraft, "luxury" articles, are among the first to suffer when a depression curtails the purchasing power of a foreign people. Finally, even if these and similar devices are partially successful in checking falling exports they cannot possibly secure for the exporting country the expanding market which it needs in order to care for a growing population.

For these reasons, a second solution has been adopted by the high pressure states. This is the logical but ominous policy of territorial expansion. Naturally, it would be an oversimplification of the problem to assume that a policy of expansion is adopted by a government merely because it feels that it must meet the needs of an embarrassingly large and fecund population. Other factors, such as the desire for greater power and prestige, and the need to divert the populace from their troubles, are usually involved. But the doctrine that a vigorous and growing people, crowded upon a land which lacks raw materials, must inevitably expand is so simple and so plausible that it cannot fail to carry popular conviction. Apparently, its simplicity and logic are convincing to governing officials, especially dictators, who find in it a policy which seems to clothe their ambitions with the dignity of high statesmanship.

Accordingly, expansion seems to be accepted by the people of high pressure countries as the panacea for demographic problems which mere

industrialization, based upon domestic supplies of raw materials, can no longer solve. Japan has pushed into Manchuria, destroyed the feeble Chinese rule there, and established a puppet state under the control of Tokyo. This done, Japan is now waging an undeclared war to obtain domination over China proper. The mandated islands have been virtually incorporated into the Japanese empire. Penetration into the Philippines is so marked that, if and when these islands secure their independence, they may quite possibly become a second Manchukuo. Italy swept aside the protests of an outraged world and annexed by military conquest the ancient kingdom of Ethiopia. Nazi Germany has annexed Austria, the Sudetenland and Memel; while Bohemia, Moravia and Slovakia have been forced to accept the "protection" of Hitler's Reich. An attack upon Poland, which precipitated the new "World War" of 1939, was the logical continuation of this drive to the East.

In carrying out their territorial advances the Japanese governing officials have maintained a truly Oriental passivity and have refrained from making many public utterances defending their action on the grounds of population pressure necessity. German and Italian officials have been much less reticent. Characteristically, Signor Gayda, whose writings are by no means uninspired, defended the Ethiopian conquest by saying:

The Italy of Mussolini arrived at these needs after having exhausted the possible limits of integral internal colonization and after having reached a population density of 140 inhabitants per square kilometer. [Its situation] cannot be compared with that of any other great European nation because the Italian territory does not have for its economic activities and, therefore, for its industrial possibilities, the mineral wealth of England or the agricultural fertility of France.

All that it was possible to do in Italy in order to give bread to the people had been done. Now there is need of expansion. . . .

In comparison with the density of 140 inhabitants per square kilometer of Italy there is in Ethiopia, in a territory fertile and rich but abandoned and devastated by tribal raids, a density of scarcely six inhabitants.¹⁷

In much the same vein, Herr Hitler reminded the 1936 Congress of the Nazi party that it must be simple "for the statesmen of certain other lands . . . to solve their economic problems, in comparison with the difficulties faced by Germany. Why should others speak of need who have fifteen to twenty times as much territory per capita as we have? Why should they speak of difficulties when they have at their command all the raw materials of the earth. . . . The 130 persons upon each square kilometer in Germany cannot find an adequate food supply at home. . . . The pretext that colonies would be of no great help to us is untrue. A govern-

¹⁷ *Giornale d'Italia*, 8 February 1936.

ment which, like that of Germany, achieves such undeniable economic results would be able to administer colonies productively.”¹⁸ On other occasions he has reiterated to the world that “we have in Germany sixty-eight million inhabitants, sixty-eight million beings who wish to live, be housed, clothed, and fed. No treaty in the world can change that. The child who comes into the world cries for milk and has a right to that milk. A statesman must give his people what they need.”¹⁹ Even more specific is the fiery Herr Goebbels when he says: “The time will come when we must demand colonies from the world. In the long run it will be impossible for us to continue to vegetate as we are now doing. The rest of the world is drowned in excess and we have nothing. We have done all we can to improve our position through internal measures. But it is not enough. Every reasonable being in the world must see, therefore, that we need colonies . . . what others possess we must also possess.”²⁰

It might be assumed that this desire for expansion, as an alleged means of solving the overpopulation problem, would be accompanied by a vigorous campaign to persuade the governments of low-pressure areas to relax their immigration restrictions. But there has actually been very little agitation of this kind. The Japanese have not ceased to chafe under the discrimination to which they are subjected, but there is every reason to believe that their discontent may be primarily ascribed to a natural irritation over the assumption of racial inferiority inherent in a policy of discrimination. And, too, there are other factors to be considered. The peoples of low-pressure areas are so fixed in their determination to keep immigrants out that open agitation by governments of densely populated states could have no result other than the creation of further international tension. Modern nationalism, which has produced this fixity of determination, has also had its effect upon the people of high-pressure areas, and they are reluctant to have their nationals emigrate to a foreign country where, in the course of time, they would become naturalized and so be lost to the motherland. How much better if these emigrants can be sent to a colony where they can use their energy under the same flag in the development of a greater empire! It is not surprising that Mussolini exhorted his soldiers, as they embarked for Ethiopia, to regard themselves as colonists. In the same way, the German government has recently encouraged the emigration of colonists to African mandated areas which formerly belonged to that country.

¹⁸ *Frankfurter Zeitung*, 10 September 1936.

¹⁹ *Ibid.*, 26 January 1936. The present population of “Great Germany” (including the “protected” areas of Bohemia, Moravia and Slovakia) is approximately eighty-nine millions.

²⁰ *The New York Times*, 18 January 1936.

GOVERNMENT POLICY AND POPULATION GROWTH

Two solutions for the population problem have been considered. It has been shown why industrialization is not adequate, in times of stress, for a people who continue to demonstrate a rapid growth. Expansion, though it offers the tempting prize of empire, is expensive and dangerous. There remains a third possibility: an active population policy on the part of the state. A rational man might brush aside the solutions which have been discussed and declare bluntly (1) that a state which is not heavily populated, but which is experiencing a satisfactory growth, need not be concerned about the population problem at all, (2) that a state which has reached a position of actual or threatened decline might well undertake a program designed to check the falling birth rate, or (3) that a heavily populated state, with a large annual increment, might with propriety urge upon its people a greater voluntary limitation of offspring. It is interesting to compare these possibilities with the actual population policies followed by the various states.

Nowhere in the world is there a government which deliberately encourages the limitation of families. The most which any of them do is to preserve a strict neutrality about the whole matter. This means that they place no legal or administrative restrictions upon the dissemination of birth control literature and the sale of contraceptive devices. It does not mean, of course, that abortion is condoned, for it is illegal virtually everywhere except in Soviet Russia and even in that country it is now legally permissible only under certain conditions. Such a general policy of neutrality is followed by many countries among which are England, Holland, France, etc.

Oddly enough, this is not the policy followed by any of the high pressure states whose spokesmen complain most insistently about the population problem. Amazing as it may seem, the fascist governments of both Germany and Italy pursue an active policy of population encouragement.²¹ In Italy, for example, the specific legal devices include a special tax on all bachelors from twenty-five to sixty-five years of age. The tax is graduated so that it is highest during the years from thirty-five to fifty. Income taxes for childless married couples and for those with fewer than two children have been increased. Although there is some doubt as to the efficiency with which it is administered, Italian law also provides a heavy penalty, including imprisonment and a fine, for persons convicted of

²¹ Much of the material presented in this section is based upon the excellent study of D. V. Glass, *The Struggle for Population* (London, 1936).

engaging in birth control propaganda. Contraceptive devices may not legally be sold (though one of the most common ones is freely sold as a "disease preventative"), and abortion penalties are quite severe, applying to the woman who permits the operation as well as to the practitioner. Positive inducements include reduced income taxes for the heads of large families, special services for mothers and children, and a free honeymoon trip to Rome on the state railways. Birth prizes, ranging up to \$250 for the sixth child, are given by the government. Fathers of eight or more children have their offspring educated free of charge by the state, and married men with large families are given preference for all government and municipal posts.²²

When the National Socialist party came to power in Germany in 1933, it professed much alarm over the sharp drop in the postwar German birth rate and hastened to adopt a policy which was designed to arrest the decline. A decree set aside 150 million marks a year for loans to couples who wished to marry but who lacked adequate means to establish a home. Applicants were required to be Aryan and free from inheritable defects. These loans, which may not exceed 1000 marks to each couple, are repayable at the rate of 1 per cent a month, but 25 per cent of the total loan is cancelled upon the birth of each child. Fathers of large families are given special income tax exemptions and preference for positions in government and industry. Municipalities have been encouraged to "sponsor" children of large families. Thus, in Berlin, a special annual subsidy is given to a family for each child after the second. Laws concerning abortion and birth control propaganda are enforced with great severity.

The reasons for such a policy in these heavily populated states can best be explained by brief reference to official statements. In 1927, when Mussolini inaugurated the new Italian policy, he declared that "to count for something in the world, Italy must have a population of at least sixty millions when she reaches the threshold of the second half of this century. . . . It is a fact that the fate of nations is bound up with their demographic power. . . . Let us be frank with ourselves: What are forty million Italians compared with ninety million Germans and 200 million Slavs? . . . What are forty million Italians compared with the forty million of France and the ninety million of her colonies, or with the forty-six million of England and the 450 million inhabitants of her colonial possessions?"²³ This thesis that the greatness of a state depends upon the size of its population has been constantly reiterated by the Italian press. Recently, wrote Carlo Delacroix, "history shows without any exceptions that the power and prosperity

²² Glass, *op. cit.*, *passim*. Also *Giornale d'Italia*, 13 September 1936.

²³ Glass, *op. cit.*, p. 34.

of states are in a constant relationship to the density of the population."²⁴

The German press is filled with the same point of view. A recent editorial writer declared that "it is obvious that the size and the economic productivity of an area occupied by a people must be influenced by the intensity of population increase."²⁵ In a recent interview with a representative of the *Paris-Soir*, Herr Hitler was asked why, when Germany complained of insufficient food and raw materials, there continued to be such an active encouragement of the birth rate. *Der Führer* replied, "There are in the world certain peoples who are talented and others who are not. The talented peoples have a prevailing lack of space in which to live, while the others have at their disposal large and often unused areas. The European states belong to the first class. . . ."²⁶

To put the matter briefly, these two fascist states encourage the further growth of an already closely crowded population, first, because they thereby gain in military power. Second, they believe that there is a close connection between the birth rate and the mental and physical vigor of a state. Finally, the greater the increase, the greater the justification, in their own eyes, of a policy of territorial expansion. It is a situation in which the end justifies the means, and the means justify the end.

The Japanese population policy does not involve such absurdities. Although the government is still opposed to birth control, and occasionally takes energetic measures against individuals and organizations advocating it, there is no deliberate policy of birth encouragement, and, as has been pointed out, there is no official use of the population-pressure argument as a justification for the present policy of expansion. On the contrary, responsible Japanese point with some relief to the work of Professor Uyeda, who believes that population stabilization is not as far off as other foreign students have predicted.²⁷

Among the states with a stable population, France has the longest record of official activity in behalf of population increase. Since the middle of the nineteenth century there has developed a policy of wage supplements for the heads of large families which now runs throughout French industry. The scheme is administered by a central equalization board which receives the employers' contributions and distributes the benefits. In addition, the government has given official recognition and aid to organizations like the *Alliance nationale pour l'Accroissement de la Population* and the *Ligue des Familles nombreuses*. There is also a *Conseil supérieur de la Natalité*. Prizes and decorations are regularly awarded to parents of large families.

²⁴ *Corriere della Sera*, 27 September 1936.

²⁵ *Berliner Tageblatt*, 21 April 1936.

²⁶ *Frankfurter Zeitung*, 26 January 1936.

²⁷ Mitsubishi Economic Research Bureau, *Japan's Trade and Industry, Present and Future* (London, 1936), pp. 56-61.

England has no official policy of population encouragement, but the recent agitation concerning the imminent threat of actual decline has led to the formation of a "Population Investigation Committee," "to inquire into problems arising from a decreasing birth rate."

The success of these various national efforts to stimulate the birth rate has been carefully studied by a number of competent scholars. These experts are unanimous in their belief that there is little direct relationship between governmental policy and the birth rate. In Italy, the percentage of marriages per thousand of population fell steadily from 1921 to 1932. In 1935, there were twenty-five thousand fewer marriages than in the previous year.²⁸ Although infant mortality has shown a gratifying decline, the percentage of live births has, with one exception, fallen every year since the Fascists assumed power. It is an ironic commentary upon these governmental efforts that the Italian birth rate has fallen steadily since the assumption of power by the Fascists in 1922.

In Germany, both the marriage and birth rates increased sharply after the advent of Nazi rule. But before one can share in the Nazi jubilation over this apparent success it is necessary to remember that these rates had fallen to abnormally low levels in the years just preceding the rise of Hitler. Economic conditions had become so bad that many young people who wished to marry found it financially impossible to do so. When direct financial aid was supplied, and when women were forced out of industry, it was not surprising that the marriage and birth rates should have shown a marked increase. The test of the efficacy of Nazi methods will come later after this first period has ended, and, if the Italian experience offers any criterion, it is doubtful if the German program will have any marked effect upon the population movement.²⁹ This same negative conclusion is borne out by French experience, for in that country the birth rate has fallen steadily every year since the end of the War.

²⁸ *Corriere della Sera*, 22 January 1936. The total number of marriages in 1936 was 9000 less than the 1921-25 average.

²⁹ Official figures for 1937 indicate that the German marriage rate has declined to less than the 1931-35 average, while the birth rate—which increased steadily from 1934-36—has declined almost to the 1926-30 level.

V

THE ELEMENTS OF NATIONALITY

OF ALL the forces tending to divide the world's population into competing, suspicious, and at times hostile communities, nationalism is by all odds the most potent and ubiquitous. In contrast with the geographic and demographic factors considered in the two preceding chapters, the roots of nationalism are essentially cultural in character. Nationalism is not something inalienably sunk in soil or blood, but rather a social complex whose ingredients are derived from a combination of sources. For students of international politics, an understanding of nationalism is as indispensable as the possession of a master key to a person seeking to enter all the rooms in a building. Indeed, the *total* behavior of the state system in our day may largely be explained in terms of *national* hopes, *national* fears, *national* ambitions, and *national* conflicts.

This is but another way of expressing the fact that the division of mankind into *states* now corresponds, roughly at least, to its division into culturally unified communities which we call *nations*. In one way or another, as noted in Chapter II, the great majority of modern states were born as a result of a desire for "self-determination" by social groups with common traditions, common needs, common loyalties, and common aspirations. Broadly stated, these conditions are essential to the existence of any fully developed national community. For the members of such a community the nation tends to become the supreme loyalty before which all other loyalties bow in time of tension or conflict.

Looking at the matter more concretely, what is it that sets off one nationality from another? Why, for example, do Americans as a group tend to behave like Americans rather than like Englishmen or Frenchmen? Why do Germans act differently from Japanese or Russians?—if they really do! Why, on the other hand, is it possible for an individual born, let us say, a German or an Italian or a Pole, to shift his allegiance, not merely legally, but emotionally, from his native country to the United States of America? For that is precisely what happened to millions of emigrants during the half-century ending with the Great War of 1914-18.¹ Queries like these,

¹ According to the census of 1930, nearly a third of the population of the United States is either foreign-born or of foreign or mixed parentage.

simple at first glance, are not easily answered, if, indeed, they can be answered at all.

It is regrettable that so little is really known respecting the psychology of national behavior. About all we can say is that nationalism consists of "a modern emotional fusion and exaggeration of two very old phenomena—nationality and patriotism."² But this does not tell us by any means all we would like to know. For the origins of nationality are themselves obscure. Nor has there been any adequate analysis of the mainsprings of patriotism. Nevertheless, some attempt to discover the determinants of both nationality and patriotism must be made before we can hope to understand how they have been "emotionally fused and exaggerated" so as to produce nationalism. Let us begin with an exploration of the elements of nationality.

NATIONALITY AND RACE

Until the rise of modern anthropology, there existed a widespread assumption, still stubbornly held in certain quarters, that nationality can and should be explained in terms of the so-called racial differences that cut across the human species. Up to a few centuries ago, geography and climate combined to differentiate mankind into groups contrasted by skin color and shape of the skull. In popular parlance such groups are known as races. Although there is little agreement among anthropologists as to how these biological divisions should be classified, three or four broad color groups are generally recognized, as follows:

TABLE V
THE BROAD RACIAL GROUPS³

Color Division	Where Chiefly Found	Estimated Number
Yellow (Mongolian)	Asia	850,000,000
White (Caucasian)	Europe, America, Middle East	800,000,000
Black (Negro)	Africa	250,000,000
Brown (Malayan)	Oceania	125,000,000

² C. J. H. Hayes, *Essays on Nationalism* (New York, 1926), p. 6. This study, together with its companion volume, *The Historical Evolution of Modern Nationalism* (New York, 1931), is easily the best general treatment of the subject available in English. The authors would like here to register the great debt that all students of international affairs owe to Professor Hayes for his penetrating historical researches into the phenomenon of nationalism. For an extended bibliography of the subject, consult K. S. Pinson, *A Bibliographical Introduction to Nationalism* (New York, 1935).

³ Some anthropologists make a single category for the yellow-brown groups.

Despite the sharp color contrast of white versus black, no satisfactory criterion exists by which individuals may be identified as belonging to one racial strain or another. The difficulty increases as regards subdivisions within these general color groups, such, for example, as the Nordic, Alpine, and Mediterranean variants of the so-called "Aryan" branch of the white race. Mass migrations within modern times have produced so much interbreeding that today there is no such thing as "purity" of race. A recent writer on the race problem thus vividly puts the matter: "We should find it difficult to agree on the precise point where white skin ends and dark begins among individuals. The Berbers of North Africa are blue-eyed and lighter skinned than the Sicilians, and as Shaw has pointed out, a really *white* man would be a horrible sight. The same difficulty would arise about light hair or brown eyes; indeed all characteristics of the human body that might be named as criteria would be found in actuality to merge into a finely graded series which one can break up into groups only by being arbitrary and saying, as of skin, 'I shall call this man white, and that one, a shade darker, black.'"⁴

The population of every modern nation is in reality a conglomeration of "racial" strains. Not only has the United States of America been a "melting pot" of European, of Negro, and, to a certain extent, of Oriental, peoples, but every national group in Europe is itself the resultant of centuries of racial admixture. In the Frenchman of today flows the blood of Celt, Roman conqueror, and many "barbarian" invaders—Burgundian, Visigoth, Frank, Hun, Saracen, and Norseman. Similarly, Englishmen are descended from Celts, Romans, Angles, Saxons, Danes, and Norsemen. A similar observation could be made of the German and Italian, the Spaniard and Portuguese. In the Orient, the fusion of yellow, brown, and black peoples has gone on apace for endless generations. Physical differences undeniably exist, but such differences are far greater as between *individuals* than as between so-called *racial* groups themselves.

In spite of the absence of any scientific foundation for claims of racial "purity," and even less of racial "superiority," such claims have often been advanced as a justification for policies of national aggrandizement. The far-reaching effect upon world politics of such pretensions we shall consider later. Suffice it to say here that, at one time or another in its history, virtually every important cultural group has assumed that it was "God's chosen people" and that God's favoritism could be interpreted in terms of pigmentation and shape of the skull. Yet, because of the manifest variations in skin color and skull contours that distinguish the members of every national group, the assumption of a common language origin has been

⁴ Jacques Barzun, *Race: A Study in Modern Superstition* (New York, 1937), p. 12. Reprinted by permission of Harcourt, Brace and Company.

utilized in an attempt to demonstrate not only the unity, but also the superiority of the dominant group among whites. During the latter half of the nineteenth century there arose in Europe the view that a distinct "Aryan" race existed. The proponents of this pseudoscientific doctrine could point to marked similarities among the various Indo-European languages, including Sanskrit, Greek, Latin, German, English, and Celtic. Certain Sanskrit legends, it seems, employed the word "Aryan" to describe the "fair-skinned, fair-haired" conquerors of the darker hued natives of India. Although the original habitat of these primitive Aryans is disputed, the fact that they played the rôle of conqueror led to the inference that they must be "superior" peoples. It was an easy transition to the next step in the argument, namely, that the modern peoples who speak the languages derived from the original Aryan tongue possess in superlative degree the physical and moral virtues that account for Western civilization; and finally, that it is their "manifest destiny" to expand and to dominate peoples of inferior stock.

While variants of the doctrine of Aryanism are to be found in French, English, German, and American writings, it attained its widest vogue in Germany during the generation immediately preceding the war of 1914-18.⁶ By the Pan-Germans of that day the assumed connection between language and race was rationalized to support a policy of German national expansion. In the fervor of racial pride, Aryanism was narrowed into Nordicism, and Nordicism became Teutonism. In his *Politics* (1907), the famous German philosopher Treitschke expostulated on the "divine mission" of the German state. The great men of all time, from "Marco Polo to Luther and Goethe," wrote H. S. Chamberlain, were all of Teutonic blood! Disregarding historical and ethonological facts with equal ease, these proponents of Nordic superiority attributed what they called "the decadence" of the Latin nations to the "contamination" of their blood by non-Nordic elements from North Africa and the eastern Mediterranean. The German people, they contended, must at all costs keep its Aryan, or Nordic, character "pure" by restricting intermarriage between German and Slav, German and Latin, German and Jew.

Important though it became among the German Junker class, Pan-Germanism failed of adoption as an "official" policy by the Government

⁶ Among the many exponents of Aryanism, the most influential have been the Frenchman, Joseph de Gobineau, a "romanticist" who wrote an *Essay on the Inequality of Human Races* (1853-55); Max Müller, a German philologist who first developed the myth of an Aryan race; Houston Stewart Chamberlain, an Englishman who forsook his native land for Germany at the end of the century and produced a widely read volume on *The Foundations of the Nineteenth Century*, said to have made a tremendous impact upon the German Kaiser's mind; and more recently, Hans Günther, a Professor of Social Anthropology at Jena, who has become the official academic "oracle" for Nazi racialism.

of the prewar Reich. A generation later, however, it was destined to be revived in more blatant terms as a tenet of Hitlerian National Socialism. The pages of *Mein Kampf*, the Nazi "bible," are replete with the obsession that "culture and civilization" are "inseparably bound up with the existence of the Aryan." According to the foremost Nazi racial "expert," Alfred Rosenberg, the true cradle of modern civilization is Brandenburg-Prussia. Migrations to the South, contends Rosenberg, carried into the Mediterranean world "the basic virtues of the Nordic people. . . . The great reverence we Germans have paid the classic art of the Greeks throughout history shows clearly how our instinct never slumbered, despite false teachings. Today that German love for everything connected with the name Parthenon can be recognized as proof of this deep Nordic relationship [*sic*] of our souls."⁶ With the Nazis, a *positive* Aryan nationalism has become the admitted basis for a policy that looks toward the ultimate incorporation into the German Reich of all German-speaking groups still outside—presumably whether they like it or not! Each year the Nazi Party holds a "Congress of Germans Abroad," attended by thousands of representatives of National Socialist organizations from all parts of the world. Glorifying the work of these organizations, the Nazi press dilates day in and day out on the future of the "greater" Germany of 100,000,000 souls, embracing not only those Germans that voluntarily live abroad, but also the German-speaking minorities in neighboring countries and those citizens of other lands who are of German extraction. Behind the forced annexation of Austria and the Sudetenland during 1938 lay this intense faith in "blood and soil." A year later the German attack on Poland had as its official pretext the need of protecting the German minority from alleged Polish "atrocities." It is not unlikely that similar arguments may be invoked to justify future claims to Alsace-Lorraine and German-speaking Switzerland, as well as to smaller border areas in Belgium, Holland, and Denmark, which the Nazis insist are of true German blood, not to mention scattered pockets of German-speaking people in Hungary, Rumania, and Yugoslavia.

But the racial nationalism of Hitler and Rosenberg also has its negative side. As all the world now knows to its horror, a fanatical campaign of racial intolerance has been waged by the Nazi régime against the German Jew. In one form or another, anti-Semitism has frequently manifested itself during modern history, most virulently, perhaps, in the pogroms of Tzarist Russia. Indeed, race prejudice exists among a substantial number of people in the English-speaking world, envious of Jewish influence, and it

⁶ Rosenberg's racial ideas are systematically formulated in his *Der Mythos des XX Jahrhunderts* (4th ed., Munich, 1932).

not infrequently flares up to poison local community life. Nowhere except in Nazi Germany, however, has it ever been thoroughly elaborated into an official state policy—of civic degradation, economic exploitation, and physical terrorism.⁷ In order to win to their banner the German middle classes, the Nazi propagandists have made the Jew “the unifying devil” to which were attributed all of the wrongs and miseries suffered by Germany after 1918—the capitulation of the German armies because of a Jewish “stab in the back,” the acceptance of the humiliating Peace of Versailles, the reparations burden, the “financial enslavement” of the Republic, and above all, the menace of Bolshevism. The Jewish politician, the Jewish banker, the Jewish labor radical—these were the “culprits”! They and their kind must therefore be exorcised from the body politic of the “new” Germany.

Despite the incontestable fact that the German Jews, numbering less than 2 per cent of the German population, had become more completely assimilated than the Jews of most other countries, the Nazi régime lost no time in decreeing their exclusion from the civil service, the liberal professions, and most businesses. By 1935, the Jews had had their citizenship taken away and were forbidden to intermarry with Aryans; more recently they have been subjected to drastic levies upon their property, victimized by mob violence, and forced into quasi ghettos, reminding one more of the barbarities of the Middle Ages than of the “enlightened” twentieth century. The high priests of Nazism do not hesitate to boast that all the German Jews will ultimately be “liquidated”—by forced emigration for those who can find a haven elsewhere, by a slow death for those who have no choice but to await their fate at home. Meanwhile, all good Germans are forbidden to read books by Jewish authors or listen to music by Jewish composers, while German youth are deliberately indoctrinated with hatred for the Jew and his alleged “Marxist” profession of faith.

In order to rationalize their belligerent anti-Semitism, the Nazis seriously maintain that the Jews constitute an alien “race” which must not be allowed to sap the strength of Aryan peoples, of which the Germans represent the “noblest” specimens. Yet the Germans themselves have such a diverse ancestry that many other elements besides the Jews would have to be eliminated before this vaunted Aryan “purity” could be realized. Even the Nazi leaders themselves, although they exalt the Teutonic type as “fair, long-headed, tall, and virile,” would have difficulty in meeting their own biological standards, what with Hitler’s dark complexion, Goebbels’ short-

⁷ Since 1938, the Fascist government of Italy, partly as a gesture of “solidarity” with its “axis” partner, partly to curry favor with the Arabs in Africa and the Near East, has had in operation an anti-Semitic policy. But in comparison with the German policy, it is mild indeed. Nor does it seem to have won any appreciable popular support from the naturally tolerant Italians. See M. Agronsky, “Racism in Italy,” *Foreign Affairs*, January 1939.

ness, Goering's rotundity, and Rosenberg's broad head! Such inconsistencies as these, however, do not bother the creators of social myths who revel in "thinking with their blood."

There is no reputable anthropologist in the world that does not look upon Nazi racialism as anything but a preposterous fallacy. "What we know as 'race' is largely a matter of environment."⁸ History is replete with instances in which people have been conditioned to like or hate members of an alien group, regardless of their biological characteristics. That racial prejudice is not inborn has been proved by numerous experiments with young children, where even whites and blacks have grown up with no sense of race consciousness toward each other. Insofar as the members of different racial groups differ in aptitude and capacity, the explanation lies rather in different climatic conditions, economic opportunities, and social situations than in any inherent group superiority deriving from genetics. Granted that the attempt to interpret nationality in racial terms has often intensified racial dislikes and buttressed in the popular mind such policies of aggrandizement as Pan-Germanism and Pan-Slavism, most people, most of the time, prefer to think of themselves, not as Aryans, Nordics, or Semites, Mongolians, or Negroes, but as Englishmen, Germans, Frenchmen, Italians, Americans, Russians, Japanese, or Chinese—as the case may be. On balance, it is fair to conclude, with Professor Hayes, that "nationality actually cuts through and across race, though it must be confessed, in deference to racial propaganda, that an imaginary belief in blood relationship, that is, in race, has been an effective force in building and cementing nationalities."⁹

NATIONALITY AND RELIGION

Historically, as noted in Chapter II, religion has played a curious but important part in the differentiation of national cultures. "From the long controversy between the Roman church and the Holy Roman Empire there emerged a disunited church and a disunited empire. A few national states appeared on one side and a long series of churches, Catholic and Protestant, on the other; in some cases indeed these were national churches, such as the Anglican. But there developed the union of the altar and the throne—the combination of the national church and the national state, in defense of the right of kings. This alliance was broken in the democratic revolutions

⁸ Quoted from an interview with Franz Boas, the dean of American anthropologists, *The New York Times*, 2 July 1936.

⁹ *Essays on Nationalism*, p. 8.

of the seventeenth, eighteenth, and nineteenth centuries, and the outcome was once more the separation of church and state in various forms, more or less complete."¹⁰ The dynastic wars of the early modern period, involving Catholic versus Protestant régimes, had the effect of emphasizing the national basis of religion. This was hardly less true in Catholic than in Protestant countries. If it was treason to oppose the nationally established church in England under Queen Elizabeth, it should also be noted that the Jews and Moors were expelled from Spain because they stood outside the fold of what was essentially a dynastic Catholicism. To take a somewhat different case: John Knox, by his Presbyterian evangelism, long kept the Scotch from becoming fused with the English into what has ultimately become a British national society. No more striking example of an intimate tie between political and religious organization can be found than in old Russia, where the hierarchy of the Greek Orthodox church worked hand in glove with the political architects of Tzardom for the purpose of perpetuating mass subservience to the *status quo*. Throughout the Western world, at any rate during the past century, there has been an increasing tendency for the Christian church generally, whether Protestant or Catholic, to inculcate in its communicants the virtues of patriotic obedience to secular authority. During the Great War of 1914-18, priest and pastor, with rare exceptions, vied with each other in exhorting their flocks to support their respective governments—in spite of the ideal of the "brotherhood of man" that supposedly distinguishes the Christian ethics. Political sermons without end assured the faithful that they were fighting for a "just cause" and that "God was on their side." The few courageous souls who dared apply the pristine tenets of Christianity by resisting the call to military service suffered varying degrees of social ostracism at the hands of their fellow religionists, where, indeed, they did not languish in state prisons as "conscientious objectors."¹¹

Nevertheless, even though nowadays the flag undoubtedly stirs far more people than the cross, it would be going too far to contend that religion, in the metaphysical sense, has completely surrendered to the parochialism of secular nationality. However much the church in many countries may have aided civic unification, the fact remains that most of the great religions of the world still rest upon *supernatural* foundations. This is no less the case with Christianity than with Judaism, Buddhism, Confucian-

¹⁰ C. E. Merriam, *The Making of Citizens* (Chicago, 1931), p. 57. Reprinted by permission of the University of Chicago Press, publishers. This important volume skillfully synthesizes a series of detailed studies of the techniques of civic education in Great Britain, pre-Nazi Germany, Switzerland, France, Austria-Hungary, the U.S.S.R., and the U.S.A.

¹¹ Only the Quakers, along with a few other minor Christian sects, placed "duty to God" above "duty to the State." See Ray H. Abrams, *Preachers Present Arms* (Philadelphia, 1933).

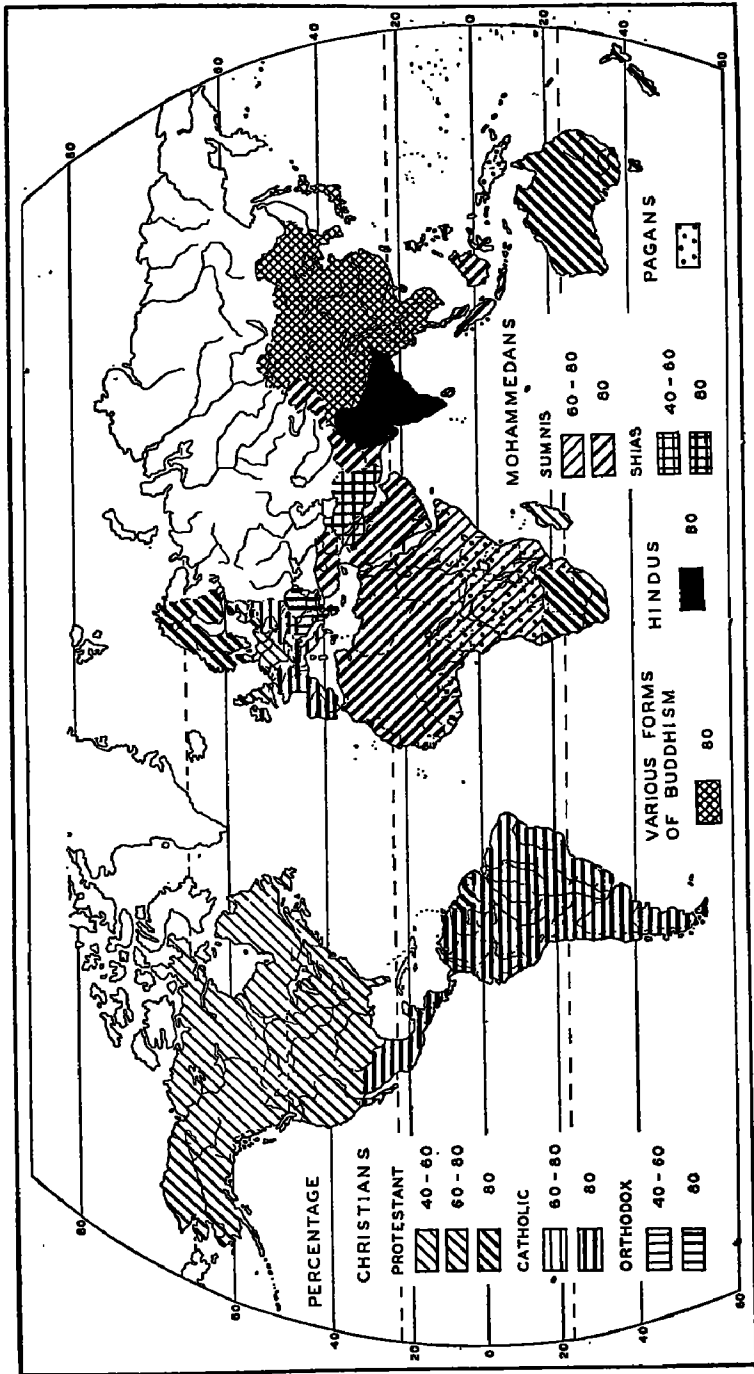


FIG. 8.—DOMINATING RELIGIONS IN THE COUNTRIES OF THE WORLD.

From Van Valkenburg, *Elements of Political Geography*. Copyright, 1939, by Prentice-Hall, Inc., reproduced by permission.

ism, Hinduism, and Mohammedanism.¹² The Catholic Church is an international organization whose outward reaches touch scores of countries. The more important Protestant denominations, notably the Methodist, Baptist, Lutheran, and Presbyterian, maintain loose "federalistic" associations which embrace all those countries not predominantly Catholic; that is to say, the English-speaking nations, Scandinavia, Germany, the Netherlands, and Switzerland. From time to time during the last generation international conclaves of Protestants have been held for the purpose of advancing the cause of "Christian unity." There have even been occasional attempts to construct a "League of Religions" in the interest of world peace—attempts, alas, which have made little or no impact upon the actual course of international affairs.¹³ Various encyclicals emanating from the Holy See serve to remind all good Catholics of their moral obligation to obey the precepts of the Church—in the face of "antireligious" edicts from secular rulers.

Reference has been made to the way in which the democratic revolutions of the eighteenth and nineteenth centuries tended to "secularize" the national state. In most nations, particularly the Anglo-Saxon group, where democratic institutions have flourished, religious toleration early became a firmly established principle of their constitutional systems. In post-Revolutionary France, on the other hand, the Catholic church remained for a century in such pronounced antagonism to republicanism as to provoke a

¹² The relative strength of the major religious faiths of the world in terms of their adherents is roughly estimated as follows:

Christians	691,000,000
Roman Catholics	331,000,000
Orthodox Catholics	144,000,000
Protestants	206,000,000
Coptic Christians	10,000,000
Confucians and Taoists	350,000,000
Hindus	230,000,000
Mohammedans	209,000,000
Buddhists	150,000,000
Animists	135,000,000
Shintoists	25,000,000
Jews	16,000,000

¹³ In 1914, and again in 1931, a World Conference for International Peace through Religion, meeting at Geneva, brought together a representative group of laymen, including Christians (Roman Catholic, Orthodox, and Protestant), Moslems, Jews, Hindus, Buddhists, Confucianists, and Shintoists. See Norman Bentwich, *The Religious Foundations of Internationalism*, (London, 1933), for an admirable survey of the evolving rôle of religion in international relations. At Utrecht (Holland), in May 1938, a world conference of churchmen, representing 130 Protestant denominations, drafted a constitution for the first World Council of Churches in the history of Protestant Christianity. This constitution was unanimously approved by delegates from twenty nations. It was announced that the new Council would be open to all Christian churches, but thus far Roman Catholics have taken no steps to participate in it. *The New York Times*, 14 May 1938.

bitter struggle which culminated by 1905 in the separation of Church and State. Since then, despite the persistent antirepublicanism of a few reactionary prelates, the Papacy has instructed the French clergy to support the existing political order, even to the point, in 1926, of placing on the index *l'Action française*, the vitriolic organ of the French monarchists. By and large, the religious solidarity of the French has been a potent force for national cohesion. Across the Rhine, the consolidation of German national unity under Bismarck gave rise to the famous *Kulturkampf* between the Iron Chancellor and the Catholic hierarchy over questions of church organization and church property—a conflict, incidentally, in which Bismarck came out second best. Earlier in this book the reader's attention was drawn to the long-drawn-out duel between the Vatican and the Quirinal in Italy, which has apparently resulted, for the time being at least, in substantial victory for Mussolini's Fascist government. Until the advent of Fascism in Italy and National Socialism in Germany, the Catholic church gave its support to a Catholic political party in both these countries. Along with all other opposition groups, these parties have subsequently been abolished.

In recent times the conflict between religious and political ideology has developed greatest intensity in the Soviet Union and Nazi Germany. The creed of "political bolshevism" ridicules religion "as the opiate of the people." Not only was the age-old alliance of cross and crown shattered by the Soviet Revolution, but the Greek Orthodox church was shorn of its properties, many of the clergy were convicted of treason, and religious teaching was prohibited—at least to the youth of the land. Instead, the tenets of Marxism were to serve as the social "religion" of the new order. With the passing of time, however, it became evident to the new masters of the Kremlin that the deeply rooted religious habits of the Russians could not so easily be broken. To those church edifices which have escaped destruction or conversion to secular purposes, throngs of the faithful continue to flock on every festival day. Gradually, by 1936, a less antagonistic attitude toward the church emerged. Under the new Soviet Constitution, a limited freedom of worship is allowed, albeit no religious group may engage in social welfare or political activity. Ecclesiastics are now permitted to vote in Soviet elections. At the same time, antireligious propaganda continues unabated and the League of Atheist Youth unceasingly exhorts their elders to eschew the appeal of priest for that of party comrade. As the orientation of Soviet policy, from 1933 to 1939, shifted from the preparation of a "world proletarian revolution" to defense of the "Russian fatherland," religious and secular dogmas appeared to be less fundamentally opposed than during the militant period of revolutionary transition. The time may yet come when "orthodox" churchmen in Russia will find it natural to accept a Soviet national "orthodoxy."

Although the resurgence of the German nation under Hitlerism was not accompanied by any such direct attack on organized Christianity as in Russia, Nazi totalitarianism called for control of church government by the *Führerstaat* as "the final arbiter of all phases of social life." In 1933, Hitler negotiated with the Vatican a Concordat by which he hoped to confine the activities of the Catholic church strictly to the spiritual domain. What with the ever widening impact of the Hitler *Jugend* and Labor Front organizations on the training of youth, German Catholics, numbering more than a third of the population, have from time to time shown vigorous opposition to the Nazi attempt to "monopolize" the field of education. Still more vehement has been the resistance of certain Lutheran pastors to state interference in church affairs. The most outspoken of them, Dr. Martin Niemöller, was accused of treason in 1937. Although acquitted of this charge, he was nevertheless placed under "protective custody" for an indefinite period thereafter. A Ministry of Church Affairs, set up in 1935, forms a part of the official governing apparatus of the Nazi state. Within Nazi ranks there are certain extremists, such as Alfred Rosenberg (whose fanatical racialism we have already considered), who advocate a new paganism based upon primitive Teutonic legends. Violently anti-Christian, this neo-paganism would transform the church into an agency for the propagation of the National Socialist *Weltanschauung*. Here, indeed, is a deliberate attempt to develop an aggressively "organic" nationalism at the expense of man's spiritual inclinations. What the ultimate outcome of this conflict will be, time alone can tell.¹⁴

In the Western world there exists one religion whose adherents are drawn from many different nationalities. This is the Hebrew religion. Not only does it lack a compact territorial foundation, but, except for a Zionist minority, it has not aspired to political union under an independent Jewish state. For the most part, Jewish people have become patriotic supporters of those national régimes under which they live. As previously indicated, their assimilation into the national group was nowhere more complete than in Germany, where anti-Semitism now rages. Indeed, any roster of outstanding national leaders during the last century would have to include such eminent Jewish statesmen as Disraeli in England; Hugo Preuss and Walter Rathenau in Weimar Germany; Léon Blum in France; and Louis D. Brandeis and Herbert Lehman in the United States. To contend, with the Nazis, that the rise of international socialism must be interpreted primarily as a Jewish conspiracy against the national foundations of society merely

¹⁴ For an extensive treatment of the struggle between Nazism and Christianity, consult J. B. Mason, *Hitler's First Foes* (Minneapolis, 1936); Waldemar Gurian, *Hitler and the Christians* (London, 1936); and A. S. Duncan-Jones, *The Struggle for Religious Freedom in Germany* (London, 1938).

because Karl Marx and certain lesser socialist agitators happened to be of Jewish blood, is to distort the facts. In proportion to their numbers, the Jews may have played a more conspicuous rôle in radical labor movements than the members of other religious sects, but wherever Jews have been allowed equal civic rights with their conationals, they have not constituted an antinational force.

On the whole, we may conclude that, at least since the Protestant Reformation, the differentiation of human beings into national groups has been aided rather than impeded by the evolution of organized religion. All in all, present-day Christianity is an adjunct of nationalism, while in the Orient Shintoism has been for the Japanese a preëminently "national" religion. Similarly, religion constituted the primary test of nationality in Turkey until the Turkish state became thoroughly secularized under Kemal Atatürk. Almost nowhere, today, is any church in a position seriously to challenge the social forces that make for national solidarity and national strength. That sectarian unity is, however, not essential to national unity is strikingly exemplified by the United States, the home par excellence of a wide variety of creeds, although most of them are essentially Christian. In our contemporary world, whatever superficial appearances to the contrary may exist, the cult of the nation-state takes precedence over the worship of otherworldly divinities. East as well as West, for the overwhelming mass of human beings, it is the *nation*, as a cultural entity, that occupies the apex of the hierarchy of social values.

NATIONALITY AND LANGUAGE

Easily the most important single factor in the identification of any nationality is the language spoken by its members. Historically, the emergence of modern national communities coincides with the rise of the vernacular languages. Even in primitive society, according to anthropological research, it is rare to find two tribes where a common group consciousness can easily develop unless the members of the total group have a common medium of communication. As tribal communities coalesced into larger territorial societies, differences in speech tended to decline. The Egyptian, the Hebrew, the Greek, the Latin—all became the distinctive speech of cohesive societies of more than merely *local* extent. Later, as a result of the double process of imperial disintegration and feudal amalgamation, there appeared the major Indo-European languages as we know them today. For centuries, it is true, Latin remained the universal language of church and law court after the breakup of Rome. But the triple impact of migration, commerce, and travel gradually fused local dialects into such "national"

languages as English, French, Spanish, Portuguese, Dutch, Italian, and German. Overseas colonization transplanted four of these languages (along with Dutch, to a minor degree) into the Americas, South Africa, Australia, and New Zealand—there to become the dominant mode of speech for important European settlements. Today, in Europe and America, there are about thirty major language groups, most of them belonging to three still larger language “families”: the Romanic, the Germanic, and the Slavic.¹⁵

Language uniformity, or something approaching it, now marks the social composition of nearly all western nations. Dialectic differences, to be sure, have by no means disappeared. Among the French, for example, the Provençal speaks with a markedly different accent and idiom from the Breton. The Scotsman’s brogue easily distinguishes him from the Londoner or Yorkshireman. Even in the United States, natives of the Old South have linguistic characteristics that set them off from Northerners. Regional differences in dialect, however, are no longer sufficiently marked to interfere with the spread of a sense of belonging to the large national community. The invention of the printing press, making possible the dissemination of a common national literature, and the development of a cheap press, have provided a pervasive instrument of popular unification which, since the nineteenth century, free education has tellingly employed to make the masses nation-conscious. “If languages have a familiar and soothing sound,” observes Merriam, “literature lifts the individual up to a height of pride, as a joint proprietor in a great enterprise—French, German, English, Italian. The writers of poetry or of prose raise the individual out of himself into a higher world of dreams and aspirations, or they touch the deeper emotional chords of human nature and thrill him through and through with exquisite music which he associates with the common tongue and the political community of which he is a part. How intimately is England associated with Shakespeare and Milton; or Germany with Goethe and Schiller; or France with Racine, Molière, and Hugo; or Italy with Virgil or Dante or D’Annunzio; or Russia with Tolstoi or Tchekov or Dostoevski? It is true that some of the literary immortals become the common intellectual property of the world, and are claimed by all lands; but even in these instances there is a special proprietary right in the land of their nativity.”¹⁶ The older a national group is, the more effective this force of literary tradition is likely to be.

The importance of language as an instrument of national fusion may

¹⁵ Over 5000 dialects are still spoken in the present-day world. The number of persons speaking each of the major Occidental languages (as their mother tongue) is estimated as follows: English—225,000,000; Russian (including dialects)—160,000,000; Spanish—80,000,000; German—78,000,000; French—62,000,000; Portuguese—47,000,000; Italian—41,000,000; and Polish—32,000,000. *World Almanac* (1939 ed.), p. 378.

¹⁶ *Op. cit.*, p. 157. Reprinted by permission of the University of Chicago Press, publishers.

also be illustrated by efforts everywhere to teach the children of alien groups to speak the tongue of the new country of which they find themselves inhabitants. In the United States, with its millions of immigrants, this constitutes the basis of a voluntary program of "Americanization" in the schools. When a linguistic minority has its "legal" nationality changed against its will, such as was the case with the German-speaking inhabitants of the South Tyrol, transferred to Italy by the Paris Peace Settlement, the recipient country seldom foregoes the temptation to force the minority into linguistic assimilation with its own people, although such forcible assimilation frequently fails of its purpose. On the other hand, when subject nationalities succeed in emancipating themselves from foreign rule, they invariably proclaim the official ascendancy of their own tongue as one of the first fruits of freedom. Thus the Irish, upon achieving independence some twenty years ago, attempted to establish the priority of Gaelic over English, while the Poles hastened to make their native tongue the official language of the new Polish state set up in 1919. Within five years of its birth, the Turkish Republic ordered the construction of a new Turkish alphabet with a view to instilling in its citizens a feeling of pride in the new national order. In their frantic efforts to stifle Czech national consciousness, the Nazi conquerors of Bohemia and Moravia were reported in 1939 to have decreed the official primacy of German throughout the subjugated "protectorate"—an action which will doubtless produce precisely the opposite effect upon the proud Czechs!

Nevertheless, it would be going too far to claim that language solidarity is indispensable to the existence of national unity. Certain multilingual national communities may be cited as exceptions. Switzerland, for example, although it has successfully maintained its independence against outside foes for centuries, embraces three distinct language groups—German, French, and Italian.¹⁷ Where they formerly fought among themselves, one Alpine valley against another, they now jealously guard their "common" national existence. In Belgium, moreover, the French-speaking Walloons and the Flemish live side by side as members of a single political family. The Union of South Africa contains English and Dutch populations that show little indication of becoming linguistically fused. The Dominion of Canada is, of course, bilingual.

Nevertheless, it is precisely such states as these which are more likely to suffer internal dissension than unilingual nations. The cleavage of sympathy for Germany and France severely strained Swiss neutrality during the War of 1914-18 and may endanger Swiss solidarity again in the face of Nazi penetration. The French Canadians, because of their stubborn resist-

¹⁷ There is also a fourth (Romansh), but not of sufficient numerical importance really to count.

ance to conscription, seriously embarrassed the Canadian Government as a cobelligerent with Britain in the last war. The quarrels of Walloons and Flemings are a chronic issue in Belgian domestic politics. The dissolution of Austria-Hungary into linguistic fragments in 1918 demonstrates the difficulty of developing political solidarity when multilingualism includes such divergent tongues as German, Hungarian, Czech, Slovak, Polish, and Serbian. In recent years the tragic vicissitudes of Czechoslovakia seem in some measure to have been due to the difficulty of working out an acceptable basis for coöperation between the Czecho-Slovak majority and the German, Magyar, Polish, and Ruthenian minorities within its borders (see the map on pages 108 and 109).

Standing in sharp contrast to a policy of forcible unilingualism is the Soviet approach to the nationality problem. Under the old Tzarist régime, the non-Russian minorities were the victims of a ruthless "Russification" which provoked separatist movements and caused intense suffering. After the Revolution of November 1917, the Bolshevik leaders lost no time in proclaiming their intention of allowing full cultural autonomy for all groups and regions of a non-Russian ethnic complexion. Of the 175,000,000 inhabitants of the Soviet Union, only 53 per cent are "Great Russians," the Ukrainians numbering 21 per cent, the White Russians 3 per cent, with the remainder of the population divided among Jews, Georgians, Armenians, Turks, and various Mongolian communities stretching across Asia to the Pacific. Since 1923, when the Soviet federal system attained its present form, each major *non*-Russian region (ten in all) has enjoyed the status of a constituent republic within the Union, based upon "the principles of voluntary membership and equality of rights." Within each multilingual district, moreover, the schools, courts, and other public agencies use the major language of the district. These so-called "national" languages are not only tolerated but fostered by the Union authorities. They constitute the media through which Communist ideology is transmitted to local populations. Far from being repressed, regional art and local folkways are encouraged. In 1936, newspapers were printed in sixty-eight different languages throughout the Union. By the new Soviet Constitution, promulgated that same year, the right of secession was reiterated for each member republic.

The key to this seemingly liberal attitude lies in the unifying power of proletarianism. Seeking to expand the hold of Bolshevism beyond the confines of Russia proper, Lenin and Stalin found it both logical and expedient to offer complete cultural self-determination to all oppressed peoples who would join the new movement. Once they had been won over by a combination of propaganda and forcible pressure, the non-Russian communities were soon incorporated into an ironclad system of administrative control radiating from Moscow. On all essential matters of economic policy, deci-

sions are decreed by the central directorate of the Communist party. From the standpoint of practical politics, therefore, it may be questioned whether the right of a member state to withdraw from the Union now has any substantive meaning. During the recent purges of 1936-38, many of the leaders convicted of treason and of attempting to dismember the Union belonged to party organizations in the non-Russian regions—the Ukraine, White Russia, and the Caucasian and central Asian republics. In fact, the Soviet system would seem to have imposed political and economic uniformity upon a cultural federalism. In proportion, however, as the Soviet Union absorbs Western technology, it is not unlikely that a common supercultural pattern will evolve with Russian as the unifying language tie for a congeries of communities, most of which may retain their separate “native” languages indefinitely.¹⁸

Despite the exceptions noted above, language must be regarded as the chief identification tag of nationality. To be sure, language divisions are not coterminous with the political divisions known as states. Variants of English are, for example, spoken by the “nationals” of the United States, Britain, Canada, Australia, and New Zealand. In all but one of the Central and South American republics, moreover, variants of the Spanish “mother” tongue are dominant, while the other, Brazil, is Portuguese in speech. Though they have formed an independent nationality for a century, Haitians still use the French language. Nevertheless, national aspirations are typically voiced in terms of a given language group which, for geographical or other reasons, seeks the opportunity to live its own life without alien interference. Interesting confirmation of this behavior tendency may be seen in the recent appearance of cultural “nationalism” among the Welsh in Britain and the Catalans in Spain, where attempts have been made to revive “ancient” languages as a basis for regional autonomy within the British and Spanish states respectively.

The existence of separate languages, moreover, has constituted one of the greatest barriers to the development of international coöperation. Even though, since the seventeenth century, French has served as the general language of official diplomatic intercourse, it is now challenged not only by English, but by at least three other major national languages—German, Italian, and Spanish.¹⁹ Few international conferences can be held without the resort to a corps of interpreters. Many a misunderstanding as to the interpretation of treaties arises because of difficulties in transferring mean-

¹⁸ For a fuller treatment of Soviet nationality policy, see Hans Kohn, *Nationalism in the Soviet Union* (New York, 1933).

¹⁹ English and French are both recognized as the “official” languages of the League of Nations, the International Labor Organization, and the Permanent Court of International Justice.

ing accurately from one language to another. Popular misunderstandings are often the result of ambiguous translations of political pronouncements from abroad, intentional or otherwise. The prejudices of tourists with re-

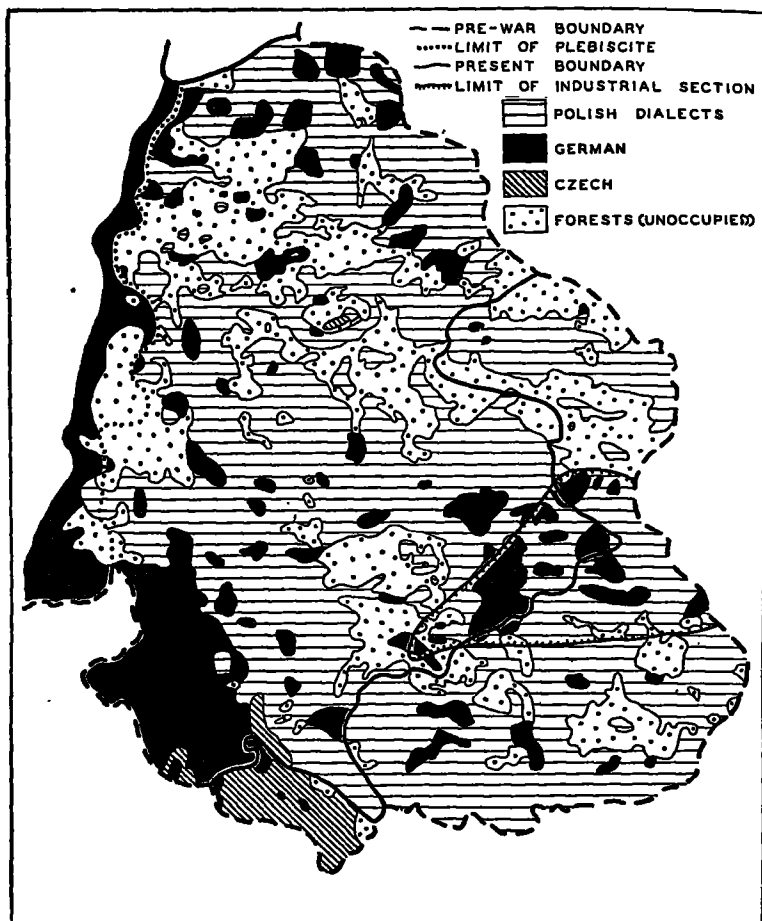


FIG. 10.—LANGUAGE MAP OF UPPER SILESIA.

From Van Valkenburg, *Elements of Political Geography*. Copyright, 1939, by Prentice-Hall, Inc., reprinted by permission.

gard to foreigners can often be traced to irritations caused by their ignorance of the language of the peoples they visit. Business relations across national lines are similarly complicated by language obstacles. So keenly have these facts been recognized that various attempts to create an auxiliary *international* language took form during the last century. Esperanto, the most suc-

cessful of these artificial languages, is based upon elements common to all European tongues. A considerable body of literature in Esperanto has been developed and it is now spoken by numerous intellectuals and labor groups.²⁰ Yet the progress of Esperanto has not lived up to the expectations of its advocates. A Committee of the League of Nations, after studying the problem in the 1920's, came to the conclusion that the prospect for establishing any of the artificial languages on an international basis was not hopeful. Instead, it was recommended that efforts be directed toward extending knowledge of the major living languages throughout the world. Due to its world-wide use in commerce, shipping, and radio, many believe that English is destined to become the *secondary* international language, though few Frenchmen and still fewer Germans or Italians like to contemplate such a probability.²¹

NATIONALITY AS A CULTURAL COMPOSITE

Even though it be admitted that substantial language unity connotes the coming of age of most national communities, this factor alone does not adequately explain what constitutes a nation. The cohesiveness of a national society depends also upon the extent to which its members cherish common historic traditions and are bound together by distinctive ideals, customs, and institutional patterns. As Renan, the French philosopher, once wrote: "What constitutes a nation is not speaking the same tongue or belonging to the same ethnic group, but having accomplished great things in common in the past and having the wish to accomplish them in the future." With this state of mind, the individual identifies himself as an integral part of a particular national group—usually the one in which he happens to have been

²⁰ See A. L. Guérard, *History of the International Language Movement* (New York, 1922); also W. J. Clark, *International Language: Past, Present and Future* (London, 1927). In 1926, for the first time, a wedding service (for an Englishman and an Austrian woman) was conducted by the Church of England in Esperanto, neither party knowing the native language of the other. *The New York Times*, 26 September 1926. At the 30th Universal Esperanto Congress, held at London in 1938, there were delegations representing thirty countries, including the U.S.A., but not Germany. Politics invaded the opening session when the Italian delegates refused to speak because of the presence of a Spanish Loyalist delegate from Barcelona. *The New York Times*, 1 August 1938. Hitler is reported to have banned from Germany the promotion of Esperanto.

²¹ A new code language, proposed for international use on the radio, was recently invented by Carlo Spatari, an Italian musician. In it the seven notes of the musical scale are utilized as an alphabet so as to obtain more than 900,000 words which, according to the inventor, may easily be understood by all nationalities. Listeners would use a chart to decipher the messages. While a communication scheme of this type might attain limited usage on the air, it is hard to see how it could ever replace the major living languages as radio media, especially now that broadcasting art has been so successful in developing the technique of instantaneous translation.

born. By progressive stages, from infancy to adulthood, he is conditioned by an ubiquitous symbolism which makes him a good American or loyal Frenchman, a devoted German or a zealous Italian. Listening at his mother's knee to exciting tales of the exploits of national heroes; seeing the national flag floating in the breeze from boyhood on and hearing crowds intone the national anthem; watching colorful military reviews on national holidays; reading in his history book accounts of the glorious struggles for emancipation from the hated foreigner; hearing his teacher dilate upon the blessings of being a citizen of country X; attending political meetings at which bombastic orators expound the "manifest destiny" of his nation to accomplish this or that glorious "mission" or to secure its proper "place in the sun"—such are the stimuli that typically pour in upon the individual as he passes from childhood to manhood. Gradually, probably subconsciously, a feeling of pride in a particular national heritage becomes part and parcel of his social behavior pattern.

The components of this behavior pattern, as well as its intensity, vary, of course, with individuals, depending upon the family, religious, and economic environment of which they are parts. Yet in an age like the present, when the techniques of intercommunication are all-pervasive, no one can escape the impact of some combination of these stimuli. Where, as in the totalitarian states, indoctrination of nationalistic dogmas is deliberately and systematically carried on through the schools and party youth organizations, the rising generation may become obsessed with a nationalistic mythology which knows no reason. Regardless of whether a nation be organized on a dictatorial and totalitarian, or on a democratic and liberal, basis, each oncoming generation tends to absorb a stock of ideas and impulses which makes it acutely conscious of the special virtues of its own "national" ancestry.

It is by reason of this psychological process that many a subject nationality has retained its cultural identity over many generations. Although politically divided under three different empires for more than a century, the Polish people never ceased to look forward to the day when they would once again be free, united, and independent. In 1919 this day came and twenty years later the Poles were fighting one time more for their independence. So it was during the nineteenth century with the movement for Greek and Belgian independence, as well as for German and Italian unification. So it has also been, since 1933, with the nationalistic resurgence of the German people under Hitler's leadership—a resurgence that sought not only to obliterate the stigma of military defeat and to restore Germany to a plane of political equality among the European powers, but also to bring all German-speaking minorities into the fold of the "Greater Reich."

✓ From the standpoint of political organization, the force of nationality

has operated in the direction both of *disintegration* and of *integration*. On the one hand, it has shattered tyrannical empires, torn unjust treaties to shreds, and liberated oppressed peoples. On the other hand, previously independent communities, living in geographic proximity to one another and possessing similar cultural characteristics, have become fused into larger national societies, whether as a result of European feudalistic amalgamation or of extra-European federalistic union. Whatever be the historic process, once a national group has achieved political independence, its social composition tends to consolidate through the interplay of various psychological as well as physical urges. In the trenchant words of Madariaga, "history, geography, religion, language, even the common will are not enough to define a nation. A nation is a fact of psychology. It is that which is *natural* or *native* in it which gives its force to the word *nation*."²²

What is more significant from the angle of international politics, this natural sense of oneness and distinctiveness may easily merge into a group selfishness—into an irrational conviction that the nation's future demands the expansion of its territory and material strength, or the enhancement of its prestige. When this feeling is reinforced by economic interest, it can easily set the stage for an aggressive nationalism. No longer an agent of freedom, it may then completely pervert itself and blossom forth as imperialism. What was originally an humanitarian force becomes the enemy of cultural "self-determination" before which the counterclaims of individuality, family, church, locality, and economic class are pushed into the background. Nationality unites with patriotism to produce the dominant, secular religion of the contemporary world: the cult of national power.

²² Salvador de Madariaga, *Englishmen, Frenchmen, Spaniards* (London, 1928), p. xi.

VI

NATIONALISM AS A CULT

PATRIOTISM AT THE NATIONAL LEVEL

The aggregate effect of the factors considered in the last chapter has been to transform patriotism into something radically different from its original meaning. Etymologically, the word patriotism suggests a sentimental attachment for one's *terra patria*, or birth place. As such, its connotation is primarily local. Thus, with the ancient Greeks and Romans, to be patriotic was to love and serve one's native city community—Athens, Sparta, or Rome—rather than the larger politico-territorial society bounded by Greek or Latin culture. In a somewhat different but essentially similar manner, the locus of patriotism during the Middle Ages became the feudal fief centering in the manor. Even today, local patriotism has by no means disappeared. Most people still cherish warm sentiments for the "home town," whether it be Gopher Prairie or Chicago, an English village or London, a German hamlet or Berlin. For some, this love of place tends to be focussed upon a particular region with which their ancestry has been associated for generations. When such persons proudly exclaim, "I am a Virginian" or "I am a New Englander," they may experience a deeper emotional tingle than when they declare, "I am an American." Cantonal loyalty remains strong in Switzerland. Regional differentials still count for much with Bavarians in Germany, with Bretons and Provençals in France.

For the typical individual, however, patriotism is nowadays chiefly associated with the national community to which he belongs. Unless his national roots, in the cultural sense, differ sharply from those of the dominant population stock of the political state of which he is a citizen (or future citizen), the object of his patriotic impulse is to glorify the nation, its ideals and its purposes. His patriotism is no longer purely territorial; it is also symbolical. Sociologically speaking, this patriotism may be defined as a "broadly functioning loyalty to the general totality of country in its land, the governmental institutions of the country, its other institutions of social life, its mores, its technology, its past history, its literature, its art—

in short, all the basis for, and all of the superstructure of, the culture built up within its borders."¹

Perhaps, as H. L. Mencken once cynically observed, the average man, at any rate in quiet times, may love his country "simply because it is physically more comfortable to him than any other, because, like an old pair of shoes, he is used to it, because its cooking suits his stomach better than the cooking of other countries, because he can't find a barber anywhere as good as his home barber, and because its girls seem prettier to him than the girls of any other land."² From this point of view, *national* patriotism may perhaps be likened to a mild form of homesickness. Yet the powerful symbolism of the modern state can easily aggravate this harmless nostalgia until it becomes "a pathological condition involving acute physiological disturbance."³ What was originally but a natural preference for things American may, after a little stimulation, develop into "100 per cent Americanism"—an irrational belief in the surpassing excellence of "our country, right or wrong"—and an intense desire to keep it free from "subversive" foreign influences! When this happens, such persons as dare criticize the army or navy may be branded by the "simon-pure" patriot as "un-American," as "reds," or as "traitors." People who espouse the cause of international coöperation may be stigmatized as disloyal to the historic foundations of the nation's foreign policy. Submissive and unquestioning obedience to authority becomes the test of civic virtue in time of national crisis, threat of war, or actual war. Willingness to defend the nation's frontiers may expand into a blind urge to increase its territory, its power, its prestige. The thing called "national honor" takes on a sensitiveness which detects "insults" at the slightest provocation. Appeals by press and radio whip up this psychology into a mass hysteria, and governments oftentimes forsake the calm of diplomatic negotiation and resort to highhanded action in order that the "insult to the national honor" may appropriately be "avenged." Thus, in 1898, the slogan "Remember the Maine" helped to let loose forces which ultimately prevented a peaceful adjustment of American differences with Spain over Cuba. Again, in 1913, when a party of American sailors, upon going ashore at Tampico, Mexico, to buy gasoline, were arrested and taken from their launch, their admiral demanded a salute to the American flag. Upon refusal to give the salute, President Wilson asked and got from Congress an overwhelming authorization to use force against the Huerta government "if necessary to bring about a proper respect for the flag of

¹ E. L. Hunter, *A Sociological Analysis of Certain Types of Patriotism* (New York, 1932), p. 21.

² In *The American Mercury*, January 1925.

³ See Dr. Beardsley Rumel's suggestive analysis presented in a paper read before the American Psychological Association. *The New York Times*, 8 September 1933.

the United States." American marines shelled Vera Cruz, seized the customs house, and occupied the city, where they remained for some time.

Episodes of this character could be reproduced from the history of every great nation. They but illustrate the emotional potentialities of national patriotism when it is subjected to strain. To the typical patriot of our day defense of the national interest against outside enemies constitutes the highest civic obligation. A recent survey of the social attitudes of 1125 school children in Pennsylvania and Iowa revealed that in their minds defense was apparently nine times as important as voting and twenty-five times as important as paying taxes. Only four children in the entire sample were willing to admit that the United States had engaged in some enterprises of which it could not be proud.⁴ In a similar study of over six thousand students in midwestern high schools (conducted in 1926), 82 per cent of the freshmen and 54 per cent of the seniors answered "yes" to the statement: "America has always dealt squarely with all nations."⁵ The school children of Mexico, Spain, and Germany, against all of whose countries the United States has waged war, would scarcely have reacted affirmatively to such an assertion regarding America, although there is little doubt what their response would be if it referred to the record of their own national governments.

THE SCHOOLS AS INCULCATORS OF NATIONALISM

The reason for the existence of such irrational attitudes in children may be traced to the influence of compulsory secular education. Without exception, state educational systems throughout the modern world serve as agencies for the fortification of civic loyalty. By and large, especially in those nations that have played, or seek to play, decisive rôles on the international stage, this loyalty tends to be an uncritical loyalty. "The typical child emerges from the schools inadequately informed regarding other groups of the world, quite unsophisticated in international behavior in a world tenanted by fifty odd other states. He is brought up as if he were an only child, not only the lone child in the family, but the lone child in the world. The academic secrecy that is thrown around sex relations is rivaled by the silence regarding international relations and the lack of information regarding the nature of international intercourse in a modern world. Thus far, history as a means of such education has been unreliable because of its lack

⁴ Cited by Bessie L. Pierce, *Civic Attitudes in American School Textbooks* (Chicago, 1930), pp. 125-29.

⁵ R. W. Keahey and N. D. Connors, "A Statistical Study of the Validity of the Common Political Concepts of High School Students" (unpublished M.A. thesis in the University of Wisconsin Library).

of perspective and its tendency to distort the face of the enemy and to idealize beyond outside recognition the portraits of its friends. In war times this type of teaching goes mad."⁶

Consider, for example, the following passages taken from French school histories in use during the first decade after the war of 1914-18:

France, resolutely pacific and hard working, was brutally attacked in August 1914.

The Germans, entering Belgium like thieves, conducted themselves like assassins and bandits.

France is always right, Germany is always wrong. (With only two lines devoted to the League of Nations!)

The victorious Allies showed to Germany a generosity without parallel in history.⁷

Consider, also, how the children in defeated Germany were simultaneously being brought up on diametrically opposed ideas—that Germany had no responsibility for the war, that France stole Alsace-Lorraine, that the Versailles peace settlement was a harsh *Diktat* inflicting shame and humiliation upon every self-respecting German. Is it any wonder that these two great European peoples found it difficult to become "good neighbors"?

A few years ago the Royal Institute of International Affairs at London undertook an extensive inquiry into history textbooks as a factor in international relations. The results of this inquiry, as well as other similar investigations, illuminate the psychological basis of present-day patriotism.⁸ By and large, the writers of school histories place fundamental emphasis upon the proposition that the strength of a people lies in its national unity—to the point, with the Nazi historians, of associating this unity with a common racial origin.⁹ Next to unity, independence is "universally regarded as a nation's first necessity." Among those peoples whose national emancipation is of comparatively recent date (such as the Poles and the Balkan Slavs), their former oppressors (Russians and Turks) are depicted as in-

⁶ Merriam, *op. cit.*, p. 310. Reprinted by permission of the University of Chicago Press, publishers.

⁷ Quoted in the *Bulletin du Syndicat national des Instituteurs et Institutrices* (Paris), June 1926.

⁸ The November-December 1926 issue of *International Affairs* (London) summarizes the findings of the Royal Institute's study, which covered 200 textbooks representing 34 countries. For a survey of French, German, and British school histories during the first postwar decade, see J. F. Scott, *The Menace of Nationalism in Education* (London, 1926). The broader aspects of civic training in American schools are treated in C. E. Merriam, *Civic Education in the United States* (New York, 1934).

⁹ The official handbook for the schooling of German youth has been translated into English by Professor Harwood L. Childs of Princeton, under the title of *The Nazi Primer* (New York, 1938). Only by liberally sampling the contents of such a volume as this can one fully sense the extent to which the Nazis have gone in indoctrinating young children with their fantastic notions of "blood and soil."

satiaably cruel and villainous. The heroic sacrifices of national patriots receive nothing but praise—almost never the slightest criticism. Since Hitler—at any rate until the Soviet-Nazi *rapprochement* of 1939—German history books have delighted in attacking the “menace of Communism” and misrepresenting conditions in the Soviet Union. In the smaller countries possessing no colonies, the extension of dominion over “backward” peoples by the great imperial nations is roundly condemned. Contrariwise, British and French textbooks interpret the development of empire as a proper accompaniment of national greatness, the history of India being cited “as a typical example of the beneficial results of British rule.” British school histories also seek “to emphasize the generosity displayed” by the victors in the Boer War, while non-British historians are prone to call attention to “the injustices of the cause for which England fought.” Both German and Italian textbooks boldly stress the righteousness of the demand of the “Have-Not” powers for colonies.

On the subject of war, most contemporary school histories reveal confusion of thought. Except in such countries as Italy and Germany, where war is now glorified as “the highest expression of the national spirit,” textbook writers generally admit the fact that victors as well as vanquished lose from war as it is conducted under the technological and economic conditions of our time. By the better historians war is even castigated as a futile method of dealing with international controversies. At the same time, most writers still conceive of history “as primarily a record of politics, war, and diplomacy.” An eminent American social historian has significantly observed (in reference to American school histories): “In so far as other nations are concerned, this directs attention to them only at periods of tension and points of conflict. Great Britain is impressed on youthful minds as an enemy in two wars and a diplomatic antagonist on many other occasions. Germany barely figures in the narrative till she suddenly emerges in the twentieth century as a monster of ruthlessness. Our unfortified boundary with Canada escapes notice in many textbooks, and few of the writers who mention it dwell on its true significance, whereas our vexatious neighbor to the south receives full and invidious attention. Is it any wonder that school children imbibe the notion that foreign countries exist principally for the sake of causing trouble for the United States?”¹⁰ After devoting nine-tenths of a history book to praise of those statesmen, soldiers, and sailors “who followed a course of action that in most countries today would seem reprehensible,” an author’s plea for disarmament and peaceful inter-

¹⁰ From A. M. Schlesinger’s introduction to Arthur Walworth’s *School Histories at War* (Cambridge, Mass., 1938). Reprinted by permission of the President and Fellows of Harvard College.

national coöperation in his final chapter will scarcely sound convincing to the adolescent mind.

When honest efforts are made to secure objectivity in history textbook writing, they meet stiff resistance from powerful interest groups in most national communities. Under the guise of patriotism, such groups exert pressure upon ministries of education, school boards, and teachers in order to prevent a balanced treatment of the nation's relations with other countries.¹¹ In number and variety, these "superpatriotic" organizations represent a formidable element in national political opinion. In the United States, to name only a few such groups, we find the American Legion, the Veterans of Foreign Wars, the Sons and Daughters of the American Revolution, the Colonial Dames, and the National Security League. Backed up by the jingoistic section of the press, such groups as these have been able to force the dismissal of teachers and school superintendents in hundreds of communities, to compel the substitution of allegedly "patriotic" for allegedly "subversive" textbooks, and to bring about the enactment of teachers' oath laws in several states. Of the statutes designed to preserve the nationalistic "purity" of school histories, a Wisconsin law passed in 1923 may be cited as typical. This act prohibits the use of any textbook "which falsifies the facts regarding the War of Independence, or the War of 1812, or which defames our nation's founders or misrepresents the ideals for which they struggled and sacrificed, or which contains propaganda favorable to any foreign government." Taken literally, the provisions of this law are perhaps not objectionable, but their interpretation depended not upon qualified historical experts, but upon the complaint of any five citizens in the locality and the final decision of a popularly elected state superintendent of public instruction. In this connection, one is reminded of the prospectus for an American history book issued by the American Legion shortly after the World War. With unintentional humor, the Legion announced that this textbook was "to speak the truth," but that it would "tell the truth optimistically!"

If influences of this sort can operate in democratic America, with its tradition of academic freedom and a decentralized educational administration, need we be surprised if they are found at work with nationally organized thoroughness in countries having state-centralized educational systems? Indeed, as already noted, the entire educational setup of the fascist nations is systematically dedicated to the inculcation in the younger generation of a peculiarly selfish, if not arrogant, brand of national patriotism. Both in

¹¹ In 1927, Chicago politics provided a grotesque example of this in Mayor "Big Bill" Thompson's campaign to "purge" Chicago school books and public libraries of everything that could be interpreted as pro-British—a campaign prefaced by "Big Bill's" vociferous electoral warning to King George that he "must keep his snoot" out of Chicago! Commentators agreed that this appeal to the anti-British prejudices of Chicago's German-Americans played an important part in rolling up a tremendous majority for Thompson.

Italy and in Germany, school teachers, as state employees, are subject to constant surveillance by local party bosses, as well as by their official superiors in the Ministry of Education. University professors live in constant fear of dismissal because they know that members of the party's student organization in their classes may report remarks which do not set well with these young "hot bloods." Not only does the state prescribe specially prepared textbooks, but it rigidly controls curricular content from kindergarten to university. "The object of education," in the words of Hitler, "is to produce the political soldier." So far as the social sciences are concerned, freedom of inquiry has ceased to exist under fascism.¹² No scientific publication may appear without the *imprimatur* of the political censor, and books by Jewish authors or any writers favorable to communism or socialism may be used only by persons properly vouched for by the party. During the first months of National Socialism, such "subversive" literature was publicly burned in Berlin. Five years later the magnificent Austrian National Library in Vienna suffered a purge of all its "non-Aryan" volumes at the hands of the vengeful Nazi conqueror. Over the doorway of a building presented to the University of Heidelberg by American donors in 1931, the inscription, "To the Eternal Spirit," was replaced a few years later by a swastika surmounted with an eagle and adorned with the inscription "To the German Spirit." What, better than this, could symbolize the subservience of art and science to the jealous god of fanatical nationalism?

PRESS, SCREEN, AND RADIO

Civic training does not end with the formal educational process. In modern society other agencies exist which aid in aggravating innocuous patriotic impulses until they become virtually a cult of the nation-state. The printing press, the newspaper, the stage, the cinema, and the radio—each in its own way, deliberately or otherwise, blatantly or insidiously, incessantly or merely at times—play capital rôles in the manufacture of nationalistic states of mind among adults and adolescents alike. By no means the least important influence making for belligerency in the crisis of 1914 was the inflammatory behavior of the Russian, Austrian, German, and French press. In 1898, the yellow journalism of the Hearst papers had not a little to do with the emergence of an American war psychosis against Spain. Even more perniciously have the government-censored press machines under Hitler and Mussolini been employed in recent years to foment mass en-

¹² For a fully documented account of how far the regimentation of higher learning has gone in Nazi-land, see E. Y. Hartshorne's *The German Universities and National Socialism* (Cambridge, Mass., 1937).

thusiasm for aggressive policies. Not only in the totalitarian régimes, but also in certain European and Latin-American democracies, the major news-gathering agencies are now either controlled directly by the government or are the beneficiaries of substantial official subsidies.¹³ Only in the United States is the newsgathering process free from official interference. The Associated Press, the United Press, and the International News Service proudly proclaim their independence. Even so, these far-reaching press organizations are by no means immune to pressures from racial, religious, economic, and militaristic forces which color their treatment of foreign news.

Where official censorship does not exist, sensationalism or distortion of fact often produces comparable effects. So dignified a newspaper as *The New York Times* presented the early news of the Russian revolution in such a form as to convey an entirely false impression of what was happening. According to an investigation made by Walter Lippmann and Charles Merz, "on ninety-one separate occasions the readers of this paper were told that the Soviets were on the verge of collapse; Petrograd actually fell six times, was burned twice, was on the verge of collapse three times, in a state of revolution six times, and panic-ridden twice."¹⁴ If this could happen in a paper that flies at its masthead the motto "All the News That's Fit to Print," one should not be amazed at the action of a less respectable American syndicate which, in 1927, deliberately fomented "distrust of a neighboring republic by printing lurid tales, based upon forged documents, of a conspiracy between Mexico and Japan to attack the United States." It is a well-known fact, moreover, that the great arms trusts have sought to control certain big newspapers in Britain, America, and France—with striking success in the case of such influential Parisian journals as *Le Temps*, *Le Matin*, and *L'Écho de Paris*.

In addition to the "scare" headline and news story that reach the literate portion of the masses, the "picture language" of cartoon and movie film profoundly influence popular stereotypes toward foreign peoples. "For

¹³ For further treatment of the press as a propagandist agency, see pp. 432-440, *infra*. Of the government-controlled press services, the *Agenzia Stefani* in Italy, the *Deutsches Nachrichten Büro* in Germany, and the Tass Agency in the U.S.S.R. are the most important. In France the *Agence Havas* is heavily subsidized from secret funds at the disposal of the Ministry of Foreign Affairs, while Reuter's, though not dependent upon government aid, serves as the bottleneck for practically all the foreign news coming out of Britain. The Japanese agency *Domei* is subject to close supervision by the government. R. W. Desmond's *The Press and World Affairs* (New York, 1937) admirably surveys the nationalistic control devices affecting the flow of contemporary world news. See also E. W. Sharp, *The Censorship and Press Laws of Sixty Countries* (University of Missouri Bulletin, Journalism Series, No. 77, 1936), and *Government Press Services* (League of Nations Bulletin, Geneva, 1935).

¹⁴ See Peter Odgaard, "Needed: New Symbols of Peace" in H. S. Quigley (ed.), *Peace or War?* (Minneapolis, 1937).

many years the 'Mexican' stereotype included a bolero coat, a large sombrero, spurs, revolver, and rifle. The clothes were often torn and ragged, with patched shoes or bare feet. The dark hair, slightly upturned mustache, dark eyes, clenched fist, defiant face aroused annoyance rather than hatred. The Mexican was often shown as a small, thin urchin who should be soundly spanked and put to bed. Sometimes he was depicted as playing with fire, or sticking his tongue out at Uncle Sam, or being caught in a juvenile prank by his policeman neighbor to the north."¹⁵ Caricature of the Japanese first as a tiny man in a kimono and later as a swaggering militarist has long been a favorite sport of those American newspapers, especially on the Pacific Coast, which seek to conjure up the "yellow peril." Even if American film makers have employed a more subtle and less antagonistic form of antiforeign symbolism, the "foreign characters that appear on the screen tend to preserve existing stereotypes or to create new ones. Frenchmen are pictured as fops, dandies, and gay blades, and their women as beautiful, frivolous flirts. Swedes are comic characters with none too good manners, slow of movement and not overly bright. Mexicans, Italians, Bolsheviks, and Spaniards make good American movie villains. Englishmen are likely to resemble Americans or to be portrayed as comic characters in the rôles of butler, scrawny maid, or aristocrat. Chinese and Japanese are mysterious, conspiratorial, and not infrequently villainous. One little girl, after seeing the picture 'Foreign Devils,' said, 'I saw a movie last night and the Chinese are terrible people.'"¹⁶

Impressions gained during adolescence from school books and stories in the home are confirmed by the romantic glorification of military exploits found in such popular feature pictures as "Follow the Fleet," "The Road to Glory," "Under Two Flags," "Charge of the Light Brigade," and "West Point of the Air." Indeed, this touch is by no means absent from the running comment on newsreels replete with visual reminders of naval maneuvers, army war games, and the progress of military aviation—films that occasionally end by showing the national flag fluttering in the breeze.¹⁷

When from the motion picture industry there occasionally emanate films calculated to produce sympathy for other peoples, or to dramatize the sordid futility of war, the censor's arm, in many countries, may ban their appearance or, at the least, insist upon the deletion of certain portions of the talking dialogue. "All Quiet on the Western Front" and "Journey's End," because of their pacifistic point of view, are taboo in Germany and

¹⁵ H. D. Lasswell, *Politics* (New York, 1936), p. 35.

¹⁶ Odegard, *op. cit.*, p. 41.

¹⁷ "Berlin, Aug. 8.—Chancellor Hitler has ordered that beginning Thursday a film depicting Germany's Westwall—the fortress system facing France—must be shown in every German movie house." Dispatch to *The New York Times*, 9 August 1939.

Italy. In both of these countries, as well as in the U.S.S.R., the cinema (like the press) has been put to the service of official national propaganda. It was apparently the importance of the foreign market for American films that caused Hollywood recently to abandon plans for filming Sinclair Lewis's *It Can't Happen Here*.¹⁸

As forces for intensifying nationalistic attitudes, the printed word and the motion picture have found a powerful ally in the latest product of modern technology—the radio. Appeals to the eye from newspaper and screen are now reinforced daily by stimuli that pour into the ears of millions of radio listeners in every civilized country. While radio transmission does not produce an emotional exhilaration comparable to that which comes from being in a crowd and watching the gestures and facial expression of a platform orator, it is possible, by using a loud-speaker, to arrange for community listening. In the German Nazi régime this type of group communication has been developed to amazing proportions. Whenever Herr Hitler makes an important political speech, virtually the entire population—in shop and factory, in office and schoolroom, in the public square, as well as in the home—put aside their daily pursuits and listen *en masse* to the Leader's words. "Broadcasting," declares Dr. Goebbels, "has been the Führer's most faithful servant since January 30, 1933." It has, indeed, been his mouthpiece to the people.¹⁹ Similar efforts are systematically made to secure the largest possible group reception of Soviet government broadcasts in thousands of villages across the U.S.S.R. Although a cinema performance employing both sight and sound may produce a more intensive effect, the radio can command a far larger and, what is more important, a simultaneous audience.

One thing is certain: the radio cannot help but inculcate in the individual a more intimate sense of "belonging" to his national community. Millions who would otherwise never know the voices of their national leaders may now become familiar with the intonation of a Hitler or Mussolini, a Daladier, a Chamberlain, or a Roosevelt. Appeals for support of national policies, whether peaceful or chauvinistic, play directly upon their ears. In 1935 a radio demagogue like Father Coughlin could provoke thousands of American citizens to shower telegrams upon congressmen urging

¹⁸ At one time, during the 1920's, more than half of every American film studio's income came from foreign sales. At least 40 per cent of the foreign market has subsequently been lost. In fairness to Hollywood, however, it should be noted that Charlie Chaplin's satire on the dictators is shortly to be produced. Partly for economic and partly for nationalistic reasons, Italy recently announced that no further importation of American films was to be permitted. *Ibid.*, 31 December 1938.

¹⁹ Quoted in the *Manchester Guardian Weekly*, 12 August 1938. The Nazi Ministry of Propaganda claims that as many as 60,000,000 Germans have heard some of Hitler's broadcasts.

them to vote against American entry into the World Court, and more recently, against lifting the arms embargo against Spain. Where the radio is open to all comers, as in the United States, or with only limited restrictions, as in Britain and France, this type of propaganda must at least meet the competition of counterpropaganda. But under rigid government censorship official broadcasts have exclusive right of way. The populace learns only one side of the question. By means of his regimented radio and press machine, Mussolini could raise the entire Italian nation to a frenzy of hatred against England during the Ethiopian affair of 1935-36. It was primarily through its skillful manipulation of public opinion by means of radio that Nazi nationalism was able to consolidate its advent to power after 1933. One daring diplomatic maneuver after another—withdrawal from the disarmament conference and the League, rearmament, repudiation of Locarno, occupation of the Rhineland, the annexation of Austria, the Sudetenland and Memel—was interpreted on the air to the German masses, by Hitler and his lieutenants, in such manner as to insure overwhelming popular endorsement.

With varying degrees of intensity, the agencies of mass communication peculiar to the machine age are everywhere employed so as to consolidate nationalistic psychologies. If, in most democratic countries, the result is somewhat tempered by the counterforce of free criticism, such is not the case under fascist totalitarianism. The fascist state monopolizes press, screen, and radio in such a way as to provoke international distrust and pervert defensive nationalism into defiant, nationalistic imperialism. When fear, jealousy, and greed are thus made to poison the popular mind, the task of adjusting international controversies by orderly negotiation becomes virtually impossible. The succeeding chapters of this book will demonstrate, from the record of contemporary affairs, how tragically true this is.

SYMBOLS AND SOCIAL MYTHS

The collective behavior of mankind is determined far less by reason than by emotion. Contrary to the assumptions of the eighteenth century rationalists, we now know from psychological research that man lives largely by the symbols which compete for his allegiance. The loyalty he feels for a particular political group is expressed in a variety of ceremonials and rituals. In turn, this social symbolism acts constantly to remind him how intimately his life is bound up with the fate of the group.

There is no doubt that the prevailing symbolism of present-day society is associated with the nation in terms of fighting for power and prestige. The oldest attributes of the national state are the army, the navy (except

in landlocked states), and the flag. Essentially a military symbol, the flag itself has acquired a sacred "halo" which private citizens may disregard only at their peril. The flag commands its salute from soldier and civilian alike. In many countries, democratic as well as fascist, compulsory salutes to the flag are required of children as a regular part of the public school program.

Of only slightly less symbolic importance is the uniform. Formerly a mark of distinction for the hereditary governing class, official uniforms were gradually discarded in the Western world by the end of the nineteenth century for all but the military class, the policeman, the postman, the diplomat, and the judge.²⁰ Not without psychological significance is the revival of "uniformism" as a colorful aspect of the apparatus of fascist society. Every branch of the Italian Fascist and the German National Socialist Party has its distinctive garb—the "Brown Shirts," the "Black Shirts," the women's auxiliary, the youth groups, and countless miscellaneous organizations. Nazi Germany might well be a "paradise for tailors" if the government did not severely regulate the prices they may charge! Indeed, so many different uniforms and insignia are worn by the Nazis that few Germans can identify all of them. But the emblem of supreme import—the "swastika"—is missing from none. Every branch of the party organization adorns its uniform with a swastika arm band. On every official occasion swastikas appear in grandiose profusion on seemingly ever higher standards and ever larger banners—truly a riot of color to symbolize German revival under the Führer! Similarly, in Italy, the "lictor's rods," dating from Roman imperial times, have become Fascism's ubiquitous emblem of authority. The number of Nazi swastikas and Fascist lictor's rods manufactured each year per capita must be a thousand times the number of "Union Jacks" or "Tricolors" or "Stars and Stripes" produced per Briton, Frenchman, or American. All of which is but an index to the infinitely greater emphasis placed upon the pageantry of nationalism under fascist auspices.

The visual symbols of national greatness and power take many other forms. Impressive state buildings and military monuments abound in every national capital: war memorials, military cemeteries, tombs of the "unknown soldier," and shrines to the illustrious dead, such, for example, as the Washington Monument, the Lincoln Memorial, Westminster Abbey, and Napoleon's Tomb. Field pieces captured from the enemy adorn the public squares of hundreds of towns throughout every country that fought in the Great War of 1914-18. Grandiose pieces of sculpture, set up to commemorate the nation's most celebrated military victories, strike the eye of every visitor to London, Paris, Berlin, Rome, or Moscow, not to mention

²⁰ One of the democratic contributions of the young American Republic to diplomatic usage was its decision not to provide the diplomatic corps with any distinctive official attire.

the lesser capitals of the world. *Trafalgar Square*, the *Arc de Triomphe*, the *Brandenburg Tor*, the *Via Victor Emanuele*, *Red Square*—the list could be indefinitely lengthened. Countless streets bear the names of national heroes and historic events. Who knows how many *Washington Streets* there are in the United States? how many *Rues de la Victoire* in France? To mark the quiet pastoral spot in eastern France where the Armistice of 11 November 1918 was signed, is a stone slab containing the following inscription:

HERE, ON 11 NOVEMBER 1918, SUCCUMBED THE CRIMINAL
ARROGANCE OF THE GERMAN EMPIRE THAT TRIED TO ENSLAVE
THE PEOPLES OF EUROPE.

To how many generations of Frenchmen, one wonders, will this marker serve to perpetuate the legend of German "frightfulness"?

Combining auditory with visual stimuli, public spectacles constitute one of the most widely used types of national ritualism. The dignified ceremony of a presidential inauguration; the medieval pageantry of a coronation; the state funeral of a king, queen, or famous general; the gay celebration of a royal jubilee—all are part of the process by which national self-satisfaction is nourished. It is not for nothing that the revolutionary régimes of our day, like the France of 1789, have established a whole new calendar of national anniversary days. The new Italian holiday list includes the anniversary of the legendary birth of Rome, the founding of the Fascist party, the "March on Rome," and since 1936, the establishment of the new Fascist Empire. In Nazi-land the celebration sequence ranges from the anniversary of the ill-fated Beer Hall *Putsch* of 1923 to the birthday of the new régime and of the Führer himself, and includes the "Day of the Awakening Nation," the "Day of National Labor," and "Day of Potsdam." Even in the Soviet Union holidays that were originally intended to celebrate the victory of the proletariat are gradually taking on national meanings. In all three of these countries, traditional religious festivals have either been relegated to the background or converted into patriotic holidays. Only in the remaining areas of democratic nationalism does the celebration of such festivals as Christmas and Easter remain on an equal status with such secular anniversaries as Independence Day or Bastille Day.

In liberal only slightly less than in totalitarian régimes, national celebrations make all the more vivid impact upon the imagination through an invariable association with martial music and marching soldiers. No matter how remote from militarism the purpose of the spectacle may be, there is seldom absent the military band, a troop or so of cavalry, or a regiment or so of infantry, and nowadays, frequently, several pieces of field artillery and armored tanks; while soaring overhead, on the more resplendent occa-

sions, there may be heard the hum of military air squadrons in majestic formation. If the nation in question happens to possess colonies, the inclusion of contingents of native troops is not uncommon. In those countries with compulsory army service, military reviews and war maneuvers are not only witnessed by thousands of the civilian citizenry every year, but are photographically reported to the entire nation in the pictorial magazine and on the talking screen. For sheer grandiosity of effect all the contemporary dictatorships vie with one another, first honors probably going to "Herr Hitler and Company."

Nor are the citizens who witness this lavish ceremonialism merely spectators. While the bands blaze "Deutschland über Alles" or the "Horst Wessel Lied," the crowds participate by singing the words of the song, or by giving the "Heil Hitler" greeting—or, to take a different locale, by shouting "Duce! Duce!" In Moscow the notes of the "Internationale" reverberate across Red Square. In Paris the militant refrain of the "Marseillaise" sweeps down the majestic Champs-Élysées. If the behavior of English-speaking crowds is less musically vociferous at their patriotic celebrations, it is perhaps because such songs as "God Save the King" or "The Star-spangled Banner" are not so well adapted to out-of-door rendition. Even so, the rôle of music in emotionalizing national patriotism is everywhere of capital importance.

The theme of the typical national anthem, moreover, is militant, if not bellicose, in origin and inspiration. Consider, for example, these lines from "The Star-spangled Banner":

That the havoc of war and the battle's confusion
A home and a country, shall leave us no more?
Their blood has washed out their foul footsteps' pollution
No refuge could save the hireling and slave
From the terror of flight, or the gloom of the grave. . . .

Composed by Francis Scott Key while British troops were occupying Washington during the War of 1812, when it was natural to hate England, "The Star-spangled Banner" scarcely expresses the national sentiment of present-day America. Nevertheless, whenever anyone suggests that the words of the song be modified, the proposal is greeted with cries of "un-patriotic" or "un-American" from embattled patriotic organizations.²¹ Some years ago, during the second Labor Government in Great Britain, the Ministry was asked in the House of Commons if it would not consider substituting a "new and more appropriate second verse" of "God Save the

²¹ This is in spite of the fact that according to a survey recently made by the Institute of Public Opinion, only one American in eight claims to know the words of all three verses. *The New York Times*, 5 March 1939.

King" for the existing lines, which refer to Great Britain's "enemies" in such terms as "confound their politics" and "frustrate their knavish tricks." Replying to the question, the Chancellor of the Exchequer (Philip Snowden) said: "In this matter tradition is everything, and the government does not propose to try to improve on it." This announcement was greeted by loud cheers, particularly from the Conservatives.²² Mr. Snowden doubtless felt that British tradition had become so thoroughly symbolized in the national hymn that public opinion would not stand for any tampering with its phraseology.

Fascist ritualism has sought to impress upon youth the responsibilities of party membership by reviving the tribal custom of a public initiation ceremony. Upon their graduation from the *Avanguardia* at the age of eighteen, Italian youths are publicly admitted, with much *éclat*, into the ranks of the *Fasci di Combattimento*. Three years later, a still more elaborate ceremony attends their initiation as full-fledged party members—on the occasion of the annual Fascist Levy. In similar manner, graduation from the Hitler *Jugend* marks the ritualistic induction of German youth into Nazi party membership. Since *The Party* is virtually identical with *The State*, admission to its ranks is considered the highest civic honor that can come to a young Fascist or a young Nazi.

Shortly after their seizure of power, the Nazis introduced another symbolic distinction designed to magnify the importance of German citizenship. This was the division of the inhabitants of Germany into two classes, "citizens" and "guests," the latter being the Jews. "The Reich people of the New State," proclaimed a high Nazi official, "will consist only of Reich Germans. Reich citizenship will not be laid in the cradle of everyone born in Germany, but will be ceremoniously conferred on him after he has shown himself worthy of it through special accomplishments, through loyal services to the State. Only Reich citizens thus equipped will henceforth be permitted to work in and for the State."²³ By the Citizenship Act of 1935, Jews were deprived of the right to vote or hold public office. Subsequently, they were ejected from the liberal professions and most businesses. Serving as the "unifying devil" the Jew became domestic as well as foreign Enemy No. 1 of the new Reich—all of which helped to promote Nazi solidarity.

Personal symbolism constitutes a powerful technique for maintaining

²² As reported in *The New York World*, 26 February 1931.

²³ An interesting attempt to ceremonialize the values of American democracy was recently tried at Manitowoc, Wisconsin, when 350 youths, just come of age, were publicly "inducted" into citizenship by the Chief Justice of the Wisconsin Supreme Court and the President of the University of Wisconsin. Among the floats in the parade held prior to the ceremony was one contrasting the fate of youth under "totalitarian regimentation" with his happier lot under "voluntary democratic recreation." *The New York Times*, 22 May 1939.

the national temperature at a high level. In the older monarchies, the person of the king, immune from political criticism and standing above internal party strife, has always symbolized the nation as a whole. Regardless of party affiliation, economic or social status, the British people look upon the royal family as the transmitter and upholder of the "special virtues" of the British character. The members of the royal household set the styles for British society. They lay cornerstones and unveil war memorials. From the royal box, the king awards prizes to tennis winners at Wimbledon. By way of rotogravure section, movie film, and feature magazine, royalty's never-ending round of social duties remains constantly before the "common" people, who thus share vicariously in the ceremonialism of national monarchy.

Even if republican régimes lack the colorful trappings associated with monarchy, popular curiosity in the doings of an elective president and his family feeds a similar social psychology. To the majority of Americans the occupant of the White House, whoever he may be and however much they may dislike his policies, typifies the unity of the nation. No other officeholder represents the entire country. When the President journeys across the United States, throngs flock to have a look at him and his official entourage. Social functions at the White House are ubiquitously reported to the nation-at-large and thousands of ordinary citizens thrill at the thought that they have had the opportunity of shaking the President's hand. The climate of democracy, in other words, is not entirely unfavorable to the development of something akin to national "hero worship."

The high priests of fascist nationalism have skillfully exploited this human weakness for hero worship. The "leadership principle" forms the core of the fascist concept of the State. Its organization is hierarchical, with one supreme leader at the top of the pyramid and a descending series of lesser leaders who owe him absolute obedience. It would be impossible to conceive of Fascist Italy without thinking of Benito Mussolini, or of Nazi Germany without conjuring up the image of Adolf Hitler. By every known technique of suggestion the masses are incessantly reminded to revere the Duce or the Führer. In Germany the title of Führer is restricted to Hitler himself, the term *Leiter* being applied to lesser party officials. Everywhere likenesses of the all-powerful Leader greet the eye. Pictures of the Duce (along with the King and the crucifix) decorate every Italian school room. One of the "ten commandments" of the Fascist militia reads "Mussolini is always right." In the state-controlled press, scarcely an issue fails to show his face, frowning or smiling, and accompanied by such captions as "Il Duce says," "Il Duce has said," or "Il Duce will say." Babies babble "Duce" as they play with their fascist military toys; the "Sons of the Wolf" drill

to the chant of "Duce"; regimented girls and women, as they march along, murmur "Duce! Duce!"

With typical German thoroughness the Nazi régime has made "Heil Hitler" the compulsory greeting for all Germans. Official communications must close with "Heil Hitler," while good Nazis never fail to use it in their private correspondence and even at the close of a telephone conversation. At the opening and end of each class, teacher and pupils are required to raise their right arms and shout "Heil Hitler!" By some psychologists the relationship of the Führer to the German masses has been compared to the father-son relationship. Frustrated and discouraged, the German people were delivered from despair by a "great, loving, all-wise father" who will not only protect them from future harm, but restore the nation to its proper "place in the sun." As the symbol of supreme authority in a one-party dictatorship, this "great father" takes on his own shoulders the full responsibility for their protection.²⁴ At strategic intervals, by means of popular plebiscites conducted with organized frenzy and on the principle of the "one-way vote," the masses "unanimously" identify themselves with the Leader's will. Since 1935 his birthday has been a national holiday. Whenever his name and title appear in an official document, they must be printed in larger type than the rest of the text. Picture postcards by the thousands, illustrating Hitler's tender solicitude for children (though a bachelor himself!), circulate throughout Germany. With each successive victory over his opponents at home and abroad, the legend of the Führer's infallibility wins wider popular acceptance. The national ego is inflated and the populace expects still further triumphs.

In the pattern of national symbolism, war itself occupies a central position. Amid the drama of military conflict the persecution of dissenters becomes a veritable inquisition.²⁵ The Great War of twenty years ago provoked such an onslaught on civil liberties as the modern world had never before experienced. Not only conscientious objectors, but those who dared merely to criticize governmental policies, ran the risk of going to jail, or at least of suffering social ostracism at the hands of their fellow citizens. In the United States many people with German names went so far as to "anglicize" them in an effort to escape the stigma of being branded as

²⁴ On Mothers' Day 1939, German mothers symbolically presented their children to the Führer. Speaking in their name the Leader of the Nazi Women declared: "We bring the fruits of our motherhood to the Führer and say to him: 'It is the best that we have, therefore, it belongs to you.'" Reported in *The New York Times*, 22 May 1939.

²⁵ Nor is this psychology confined to wartime. Witness, for example, the refusal of the Supreme Court of the United States to grant citizenship to Madame Rosika Schwimmer, a distinguished Hungarian publicist, because as a woman she refused to promise to "take up arms" in defense of the Constitution—even though she was ready to take the oath of allegiance wholeheartedly. *U.S. v. Schwimmer* (1929), 279 U.S. 644.

"pro-German." Certain American cities voted to change their German-sounding names to good Anglo-Saxon. To refuse to buy a Liberty Bond frequently meant to incur the nasty suspicion of not being 100 per cent patriotic.

Under conditions of modern technology, the prosecution of a war requires that the entire institutional fabric of the nation, including the schools and churches, be "synchronized with the war machine. At one time, a few soldiers were sent away to war and the daily life of the people proceeded much as in peace time; but not so today. The unity of modern society, a result of the new communication and transportation inventions, has rendered this impossible."²⁶ In the terse phrase of General von Ludendorff, wars today must be "total" wars.

The exigencies of contemporary militarism demand something more, even, than the complete mobilization of a nation's industry and manpower in time of war. To a greater or lesser degree, depending upon the country, preparation for the contingency of war includes the adoption of compulsory military service. First introduced by Napoleon, conscription had by 1914 become an almost universal institution on the continent of Europe. By the terms imposed upon the Central Powers by the Peace of 1919, it was denied to them. With the resurgence of Germany under National Socialism, however, compulsory military service has not only been reestablished, but along with it an obligatory labor service which all able-bodied young Germans must perform for six months prior to their formal period with the colors.²⁷ In January 1939, the Nazi government carried the principle of "peace-time" mobilization still further by decreeing that all German reservists must henceforth enlist for "the maintenance of their spiritual and physical strength" in some branch of the Storm Troop organization. Apparently, the objective of this action was to convert the Storm Troopers into a permanent duty reserve army, the entire male population being compelled to engage in military exercises until too old to march. Contrary to the practice in countries like France, where military service, except for emergencies, ends with the period of formal training, Germany's reserves are to receive permanent training throughout their active lives. Under such a system, it is inevitable that the dominant symbol of the State should be one producing every conceivable type of psychological stimulus—visual, auditory, verbal, personal, as well as overt participation in group action. The barracks and drill field supplement the schoolroom, the press, and the radio in "regimenting" the national mind.

²⁶ W. F. Ogburn, "Machines and Tomorrow's World" (New York, pamphlet, 1938). See also pp. 412-417, *infra*.

²⁷ A recent decree introduced the conscription of *all* boys and girls between ten and eighteen years of age for service in the Hitler Youth organization—a form of premilitary training. *The New York Times*, 6 April 1939.

Nor does preparation for war, in the totalitarian régimes, involve only mass military education. The entire economy of the country is focussed upon the attainment of the greatest possible military self-sufficiency. Under the German system of autarchy, for example, the processes of investment, production, and trade are all brought under strict government control. In the heavy industries, priority in the acquisition of necessary raw materials, as well as in turning out orders, is claimed by the government. Against the all-important goal of supreme military power, considerations of social welfare count for little or nothing. With only minor variations, the corporative economy of Fascist Italy has, since 1935, been conducted according to autarchic principles.

Taken in the aggregate, the symbolism of national society interacts upon the human mind so as to create and perpetuate social myths of profound importance. Words themselves not only serve as initial symbols, but condition the collective response of national populations over long periods of time. Popular slogans and shibboleths provide a means for discharging either humanitarian or aggressive tendencies in the name of the nation. Illustrations of how this word symbolism operates may be found in the history of every national state. Let the American reader analyze his instinctive reaction to the following:

"Life, liberty, and the pursuit of happiness." (Jefferson)

"No entangling alliances." (Jefferson)

"Manifest Destiny." (Clay and Seward)

"The Monroe Doctrine." (J. Q. Adams-Monroe)

"Government of the people, by the people, and for the people." (Lincoln)

"Make the World Safe for Democracy." (Wilson)

Although originally inspired by more or less idealistic motives, some of these epigrammatic utterances by American national leaders have subsequently been used to justify a national behavior anything but unselfish. This has notably been true of the "Monroe Doctrine" and "Manifest Destiny."²⁸ Or, in the case of Lincoln's and Wilson's glorifications of democracy, the effect upon many Americans has been to produce a feeling that

²⁸ Seward, a Whig of the Federalist school, had believed, long before becoming Lincoln's Secretary of State, in "the desirability of adding new territory to the old heritage—Canada, Latin-American countries, the Arctic regions of the Northwest; and he had proclaimed his conviction that the next great theater of American political and commercial action was to be the Pacific Ocean. In the wide reach of his imagination he saw Russia and the United States coming to grips on the plains of Manchuria in a contest over the partition of China. All these things Seward conceived in the name of manifest destiny and high national interest." The purchase of Alaska was the first step toward Seward's grandiose goal, but his other plans, in the Caribbean, were balked by the Senate. C. A. Beard, *The Idea of National Interest* (New York, 1934), p. 62. See also A. K. Weinberg, *Manifest Destiny: A Study of Nationalist Expansion in American History* (Baltimore, 1935).

the United States is divinely ordained to set an example of "self-government" for the rest of the world.²⁹ Such self-righteousness cannot help but swell the national ego. For the Constitution there has developed an uncritical reverence which serves as the American symbolic substitute for the Crown in Great Britain. Nothing moves the superpatriot to greater fury than proposals to alter in any fundamental sense the "sacred" Constitution. To such people the Constitution is a national fetish—a secular "bible," if you will. As the traditional guardian of the Constitution, the Supreme Court evokes a similar emotional reaction from dyed-in-the-wool patriots. A recent manifestation of this psychology was the barrage of epithets hurled against President Roosevelt's plan to enlarge the bench of the Court. Whatever may have been the intrinsic merits of, or the objections to, the President's proposal, it scarcely deserved the charge of being "un-American" or "inspired by Moscow!" Yet this was precisely the line taken by much of the popular opposition to it.

From the galaxy of nationalistic word symbols among the democratic peoples of Europe, other interesting examples might be cited. To name only a few of British origin:

"Britannia Rules the Waves." (Naval supremacy!)

"The White Man's Burden." (In Africa and India!)

"The Mother of Parliaments." (An example to the world!)

"The Empire Upon Which the Sun Never Sets." (Imperial pride!)

Or from *la belle France*:

"Liberty, Equality, Fraternity." (Page Napoleon!)

"The Civilizing Mission." (To justify African imperialism.)

"France—the Defender of European Culture." (Against Teutonic "barbarism.")

On one side of the English Channel the writings of philosophers and historians are replete with assumptions about the "glory" of British parliamentary democracy, British justice, and the English common law; on the other side, with assumptions of the superiority of French culture and the French brand of individual liberty. Such sentiments, deeply rooted in the hearts of most Britishers and Frenchmen, form a part of their respective national heritages. Accepted uncritically by the common people, they have become social "myths."

As a mold of social behavior, this verbal symbolism is elaborately

²⁹ At the Republican National Convention of 1928, the writer heard a Jewish rabbi include in his invocation of God's blessing on the labors of the convention the following gem: "We feel that the United States is chosen to teach the world how to achieve government of, for, and by the people."

developed in fascist countries. Here may be found symbols that not only express pride in the new national unity and in the superiority of fascism, but focus attention upon the nation's future expansion at the expense of the "Haves." From Mussolini's speeches and the fascist press one could list countless references to the "new Roman Empire" in the making, and endless diatribes on the "decadence" of France and the "rotteness" of democracy. As early as 1925, an article in the *Roma Fascista*, expounding Italian plans for resurrecting the Roman Empire under the Duce's leadership, concluded as follows:

A block of 80,000,000 Romans from the Atlantic to the Mediterranean under the mighty fist of Mussolini would solve the hard and obscure problem of Europe. In a year France would be France again, a worthy collaborator for the eternal restoration of the glory that was Rome. And if the French people is irremediably destined to disappear despite our efforts to give it new blood, it will have the joy of fainting in the immortal arms which fondled it when young—not destroyed by barbarians but absorbed in the immortal breast of Rome.³⁰

At no time during the subsequent fourteen years was this image of a France ultimately yielding to the new Italy allowed to grow dim, even when the official relations of the two countries were professedly friendly.

Another widely used type of propaganda for home consumption has been to characterize Italy as a "proletarian" nation before the coming of fascism—in contrast with its dynamic power under the Duce. War, militarism, and imperialism are the symbols of this lust for power. Listen to the Duce, the orator and writer: "I regard the Italian nation in a permanent state of war" (to the Italian Chamber of Deputies 11 December 1925). "Empire is not only a territorial, military or commercial expression, but a spiritual or moral expression" (*Encyclopaedia Italiana*, 1932). "History tells us that war is the phenomenon which accompanies the development of humanity. Perhaps it is the tragic destiny which weighs on man. War is to man what maternity is to woman" (to the Chamber, 26 May 1934). When the Ethiopian adventure was in full swing, Giuseppe Bottai, Mussolini's Governor of Rome, wrote in the *Messaggero* of 16 November 1935, substantially as follows: Italy has a mission; she must civilize. Italy is virile; she must find an outlet for her zeal and vigor. . . . War dignifies. . . . We have a right to an empire; it enriches our national personality. In front of the old Roman Forum is a brick wall on which Mussolini has placed four huge marble maps. These maps depict the Roman Empire at four successive stages of its development—from the founding of the city of Rome to Trajan's far-flung dominions, including Britain, Germany as

³⁰ Reproduced in the Paris *Œuvre*, 27 December 1925.

far as the Baltic, and the Balkans almost to Russia. No one looking at these maps can fail to sense the intended implication that Mussolini's Italy is on its way to comparable imperial glory.

The Nazi equivalent for the Fascist symbol of a new Roman Empire is to be found in the "myth" of a virile Germany exemplifying the heroic qualities of the primitive Teutons. According to Nazi gospel, as expressed in *Mein Kampf*, it is "the historic mission" of the German people to save Europe from "the scourge of Bolshevism." Only by becoming "racially pure" and "a united *Volk*" can this great mission be realized. The slogan "blood and soil" recurs constantly in Nazi literature and the political harangues of Nazi leaders. Many other symbolic phrases have been coined in order to give assurance of national triumph, such as "Germany Invincible!" "Honor and Power!" "Freedom and Bread!" "The National Awakening!" "Germany Must Live and Be Free!" and so on *ad infinitum*. Hatred of the enemy is nourished by such verbal symbols as "German enslavement at Versailles," "Our Lost Colonies," and "France—a half-nigger Nation." Contempt for democracy is expressed in numerous passages of *Mein Kampf* that denounce "the democracy of the West" as the "forerunner of Marxism" and ridicule "the absurd" institution of parliamentarism as "an abortion of filth and fire." The German Revolution of 1918 is represented as having been provoked by "the international Jew" and supported by "thieves, burglars, deserters, and profiteers." All these corrupt influences the Third Reich must cast out or resign itself to being "an international slave state."

Such are the propaganda symbols by which fascist nationalism secures mass allegiance. The striking success of its efforts to date may be regarded as a measure of its deadly effectiveness. Highly geared propaganda has made Fascism one of the most powerful social creeds in the contemporary world. It has provided an outlet for the expiation of national "guilt;" still more, for the conversion of national "defeatism" into high voltage imperialism, swashbuckling militarism, and rabid racialism.³¹ By adopting many

³¹ Note the blatant imperialism contained in the words of the favorite marching song of the Nazi Storm Troopers

The rotten bones of the world tremble
Before the threat of the great war;
We have broken the terror;
For us it was a grand victory.

REFRAIN

We shall continue to march onward
Though everything falls into dust,
For today we own Germany,
And tomorrow the whole world.

And when the world lies in shambles
And battle has ruined its face,

(continued on next page)

of the methods of the countercreed of Communism, Fascism has put Marxism back on the defensive, at least for the time being, and lured Sovietism into a nationalistic mold—if not, indeed, a new imperialism! In this latter connection, the new oath for members of the Red Army, announced early in 1939, is significant.³² Omitting all reference to “world revolution,” the oath begins: “I, a citizen of the Union of Soviet Socialist Republics,” whereas the former oath opened with: “I, of the toiling people, citizen of . . .” The new oath pledges every soldier to devotion to the last breath and last drop of blood “to my people, my Soviet *Fatherland* [author’s italics], and the workers’ and peasants’ government.” Only in this last phrase is there any suggestion of Marxist class consciousness. The earlier *supranational* emphasis upon proletarian unity appears perforce to have yielded to, a primary concern for national interests. Proclaimed War Commissar Voroshiloff as he reviewed Soviet military might on Red Square, May Day 1939: “We not only know how to fight—we love to fight! Whoever dares to step across the threshold of our home will be destroyed.”³³

LIBERAL VERSUS FASCIST NATIONALISM

As we conclude our discussion of the “cult” of nationalism, a final question suggests itself: Is the difference between the *liberal* and *fascist* brands of nationalism a difference of kind or merely one of degree? That there are fundamental differences cannot be denied. What is the nature of these differences?

It is a historic fact that the rise of modern nationalism largely coincided

The devil we care for the wreckage,
For we shall rebuild it again.

REFRAIN

We shall continue to march onward, . . .
And may the old scold and revile us;
Just let them rave and scream.
Let worlds rise against us,
We still shall victors remain.

(Translated from *Songs of Hitler Youth*, published by P. J. Tonger of Cologne.)

³² *The New York Times*, 5 January 1939.

³³ *The New York Times*, 2 May 1939. From the rise of Hitler until his cynical “deal” with Stalin in 1939, Communist propaganda in the Western democracies officially espoused the defense of national democratic liberties. “We are Americans,” wrote Mr. Earl Browder, leader of the Communist party in the United States. “We are ready to give our lives to preserve American liberty!” See “Communist Propaganda, U.S.A. 1939 Model,” *Bulletin of the Institute for Propaganda Analysis* (New York), 1 March 1939. After the Nazi-Soviet pact, Western Communist leaders had to resort to really laughable mental gymnastics in their effort to rationalize the sudden *volte-face* of the “party line”!

with the emergence of political democracy on a national scale. Almost without exception, the nationalistic movements of the nineteenth century were clothed with the ideals of democracy and of freedom from oppression. Ideologically speaking, the French Revolution represented an upsurge of bourgeois humanitarianism in the name of "liberty, equality, and fraternity"—for all peoples, that is to say, for all nationalities. The apostles of laissez faire liberalism in England—Jeremy Bentham, John Stuart Mill, Francis Place, and others—accepted the proposition that every nationality deserved to live its own political life free from alien interference. Concomitantly, the colonial revolutions in the Americas were more or less a by-product of the democratizing forces of the new world. For a generation after the Congress of Vienna, waves of popular nationalism swept across the continent of Europe, leading to independent statehood for Belgians and Greeks and provoking unsuccessful nationalistic uprisings among Irish, Polish, Hungarian, German, and Italian groups.³⁴

There is general agreement that the noblest exposition of this liberal nationalism may be found in the writings of the great Italian patriot, Giuseppe Mazzini. As leader of the "Young Italy" movement of the 1830's, Mazzini pleaded in singularly eloquent terms for a type of nation's self-determination which emphasized not merely the *rights* of nations, but their *obligations* to a higher law. "Above all nations is humanity" proclaimed Mazzini. According to this idealistic view, the mission of a nation, once it has attained independence, is to advance the cause of just and peaceful international relations. Thus the United Italian republic of which Mazzini dreamed was to stand for individual freedom at home and work for a "United States of Europe." To be sure, as Professor Hayes discerningly observes, Mazzini "was less immediately responsible for the attainment of Italian political unification than was Garibaldi or Cavour. Yet Garibaldi was a disciple of Mazzini, and Cavour, though a royalist rather than a republican, inaugurated policies for the new national state of Italy which were largely in harmony with the liberal nationalism of Mazzini."³⁵

³⁴ Harold D. Lasswell, in chap. V of his *World Politics and Personal Insecurity* (Chicago, 1935), has developed an elaborate classification of the varied manifestations of this kind of nationalism under the general heading of "Independence Movements: The Demand for Equality." Historically, eight different manifestation types are distinguished, as follows: (1) *democratic* (example—British, French, and Dutch movements for responsible parliamentary institutions); (2) *liberation* (example—Prussian resistance to Napoleon); (3) *oppression* (example—cultural minority groups seeking non-discriminatory treatment from the majority); (4) *resurrection* (implied examples—Poland and Bohemia); (5) *prestige* (example—psychological desire for independence of status in colonial communities—U.S.A., Canada, Australia, and New Zealand); (6) *separatist* (example—the movements in the Rhineland and Bavaria after the World War); (7) *anti-imperialistic* (example—the revolt against Western domination in China and India); and (8) *socialistic* (example—the socialistic reaction against Soviet communism in countries with a strong middle class).

³⁵ *The Historical Evolution of Modern Nationalism*, p. 154.

While they had a less direct effect on practical politics, a galaxy of writers in other European countries gave voice to the doctrine of democratic nationalism during the first half of the nineteenth century. Byron in England, Victor Hugo in France, and Heine in Germany are three distinguished figures in this company. Agitators, historians, and political theorists vied with one another in espousing the optimistic gospel that democratic individualism and national freedom were the inevitable handmaidens of an era of untold material progress. Bankers and industrialists joined with liberal politicians in supporting policies of aid to oppressed nationalities, free trade, antimilitarism, anti-imperialism, and peace. Borrowing heavily from romanticism, this liberal nationalism oozed with sympathy for the downtrodden everywhere. Yet, ironically enough, its humanitarian principles could not always prevail without recourse to the sword. On the European continent and in America as well, a succession of wars and rebellions was necessary for the complete triumph, here of national emancipation, and there of national consolidation or national resurrection—as the case might be. From this angle, the World War of 1914 may be viewed as a natural culmination of the contradiction between democratic liberalism and militant nationalism. By reconstructing the map of Europe, in large measure at least, according to the principle of national self-determination, the architects of the Peace of Versailles fancied that they were clearing the path for the realization of democracy everywhere.

Such a view, we now know, failed adequately to take into account the psychological consequences of associating popular government so intimately with the principle of nationality. "Democracy, in postulating the nation as 'the political substance,' gives to the nation the character of a supreme, or even an absolute, value. . . . From a positive point of view, the nation becomes now the highest point of reference in the field of social values. All other values have to be grouped and ranked around this central sun. The nation itself does not have any negative or neutral characteristics; it is imbued only with good and positive characteristics. It possesses greatness, superiority, singularity, supremacy, uniqueness. . . . It is immune against all commands of supernational character because none is recognized, and it is absolutely supreme in relation to the claims from below, from the individual."⁸⁶ The close connection between democracy and nationality produces a situation favoring the rise of an illiberal, if not an aggressive, nationalism. Once equality or independence of status is attained by the nation, the power complex easily asserts itself. Although this does not necessarily follow—indeed, it has not happened in the case of certain small

⁸⁶ Carl Mayer, "Democratic Nationalism," in Max Ascoli and Fritz Lehmann (eds.), *Political and Economic Democracy* (New York, 1937), p. 296. Reprinted by permission of W. W. Norton & Company, publishers.

nations like Norway, Sweden, and Switzerland—all states possessed of marked geographic and economic advantages have, at one time or another, aspired to dominion over peoples of alien culture. Foreign policy, in democratic as well as nondemocratic states, may be motivated by considerations other than strict national defense. With the aid of modern communication techniques, it is not difficult to manufacture popular enthusiasm for dubious adventures in colonial imperialism or for the use of pressure against weaker nations. In such circumstances, national egotism rationalizes aggrandizement in terms of "manifest destiny," "the white man's burden," or "carrying the torch of civilization to the barbarian."

But this is not all. After the urge for nationalistic expansion is fully satisfied, as would appear to be the case with present-day Britain, France, and the United States, the climate of national policy is rarely conducive to *sustained* support of "democratic" international coöperation. Furthermore, as will be more fully apparent in subsequent chapters, narrow national selfishness, fear, and suspicion may be exploited by vested interests within the nation so as to prevent the adoption of sufficiently liberal trade and immigration policies to mitigate tension between richer and the poorer countries. National sovereignty is held to include the right to economic and demographic "self-determination," without regard to the larger needs of the international community. Thus the nationalistic economic behavior of France, the United States, and the British Dominions, during the first fifteen years after the Great War, served to fertilize the soil from which German Nazi nationalism ultimately grew into a full sized "cactus."

Indeed, it is possible to discover certain antecedents of fascism in the literature of "integral" nationalism which appeared in democratic countries long before the War. The clearest formulation of this doctrine came from the pen of a group of French writers, among whom Maurice Barrès and Charles Maurras were perhaps the most vigorous representatives. In general terms, this school of thought defined nationalism as "the exclusive pursuit of national policies, the absolute maintenance of national integrity, and the steady increase of national power—for a nation declines when it loses military might."³⁷ By these "integralists" not even lip service was paid to domestic liberalism or humanitarian international coöperation. Their nationalism was brutally selfish, if not imperialistic. In France its philosophy embraced a cult "of the sacred soil" which reminds us not a little of the cult of "blood and soil" later to develop under German National Socialism. Religiously, this "integral" nationalism smacked also of anti-Semitism in the emphasis it gave to Catholicism as the only authen-

³⁷ See Hayes, *op. cit.*, chap. VI, for an admirable summarization of the philosophy of integral nationalism. Also W. C. Buthman, *The Rise of Integral Nationalism in France* (New York, 1939).

tic expression of the French spirit. Strongly antirepublican and antiforeign, the French "integralists" became the rallying point for monarchism within the Third Republic, and through the columns of their journal, *l'Action française* (dating from 1898), they have carried on to this day a vitriolic campaign against the so-called "decadence" of parliamentary democracy.

Granted that this integral nationalism received its most eloquent expression in France, there were "unmistakable signs of the depth and power of popular undercurrents of the same phenomenon" all over Europe and America. On the whole, the French masses remained tenaciously loyal to their Revolutionary dogmas of individualism and democracy. South of the Alps, however; the doctrine of integralism was adapted to Italian conditions by such philosophers as Benedetto Croce and Giovanni Gentile, and the swashbuckling poet, Gabriele d'Annunzio. It was from these ardent Italian nationalists that Benito Mussolini got a good deal of the inspiration that transformed him from a second-rate socialist editor into a militant leader of a revolutionary fascism.

Mussolini, to be sure, had other spiritual godfathers. Pareto contributed the doctrine of the governing élite, and from Sorel, the French syndicalist writer, indirectly came the theory of "proletarian violence" as a revolutionary mass technique—a technique easily subverted to antisocial and pronational ends. Nor was Mussolini's familiarity with Machiavelli's *The Prince* an unimportant factor in the Duce's conversion to a political pragmatism of the most brutal stripe. Within a decade after the "March on Rome" Italy had become an example par excellence of integral nationalism in practice. Parliamentary liberalism was snuffed out by a more dynamic ideology proclaiming the national state to be "the supreme synthesis of the material and spiritual values of the race." In short, fascism resurrected the old doctrine of *state* sovereignty (in contradistinction to *popular* sovereignty) and carried it to its logical conclusion: the apotheosis of the *totalitarian* state.

Although the influence of Italian Fascism upon the development of German National Socialism may have been less direct than is commonly supposed, the ideological core of the latter movement is, so far as nationalism is concerned, fundamentally the same. In Nazi thinking, the nation constitutes an organic entity for which the individual alone exists. Whatever be the dosage of socialism contained in the original platform of the Nazi party, it served chiefly as a means of attracting support from wage earners and small-salaried groups. It was, moreover, a purely *national* socialism. To be sure, Nazi ideology contained one important ingredient, racialism, which has, until recently, remained absent from Italian Fascism. But this racialism, whether viewed negatively as anti-Semitism or positively as pro-Aryanism, does not differentiate German Nazism from Italian

Fascism as an outlet for unrestrained nationalism. Nor do the two ideologies differ in their scorn of constitutional liberalism. The Third Reich has blotted out the institutions of Weimar democracy as completely as Mussolini's Italy has destroyed the régime inspired by Mazzini and founded by Cavour.

Since 1922, fascistic patterns of government, in one degree or another, have appeared in a dozen or so lesser states of eastern and southern Europe. The embryo of fascism, moreover, may be seen at work in a number of South American countries, notably Peru, Brazil, Bolivia, Ecuador, and Paraguay, where democracy has never fully taken root. In the Orient, the Empire of Japan, while it has not consciously drawn upon Western fascism for political guidance, exhibits the same defiant, militaristic brand of nationalism that now dominates Italian and German politics. Even more indicative of the dynamic character of this social phenomenon is the recent penetration of fascistic ideas in the older European democracies, including both France and Britain. The French Popular Front of 1935-37 came into being as a defensive coalition against an organized attack upon the apparently tottering democratic régime by subversive political leagues obviously fascistic in their inspiration and objectives. While the "Black Shirts" of Sir Oswald Mosley have not become a serious menace to British democracy, evidences of sympathy for fascistic ideas have not been wanting in high Tory circles. Even in the United States, a kind of defeatism regarding the future of democracy has here and there emerged. Bled white by prolonged and bitter civil war, Spain now appears to be set in a fascist mold under General Franco.

Reverting to the question raised at the beginning of this section, what conclusion should be drawn as to the difference between democratic liberalism and fascism, not as systems of government, but as manifestations of nationalism? Today, with the democratic countries definitely on the defensive against the menace of fascist aggression, a superficial view of the situation might easily lead to the assumption that fascist nationalism has little or nothing in common with the national state of mind now prevalent under democracy. But a more thorough examination of the factors that have produced fascism, considered along with the historic connection between democracy and the principle of nationality, suggests that the seeds of fascist nationalism are inherent in a state system which has made of national sovereignty a political fetish. "In relation to the general spiritual and moral principles of democracy," recently observed a distinguished liberal writer, "nationalism is the negation of liberty. For liberty it substitutes the nation, a process meaning the surrender of the individual to the collective will."³⁸

³⁸ Mayer, *op. cit.*, p. 300.

Modern history teaches that nationalism can easily outgrow its "democratic clothes." At one time or another, democracy has not hesitated to employ techniques of mass persuasion in support of aggressive national policies—techniques that may differ in intensity of effect, but are essentially similar in purpose, to the propaganda devices of fascism. Moreover, militarism has served as an instrument of national power for democratic as well as for non-democratic countries. Quoting once again the language of Professor Hayes, "liberal nationalists themselves [in the nineteenth century] unwittingly fashioned a martial monster which helped mightily to transform liberal into integral nationalism,"³⁹ and militarism, no less than nationalism itself, can at one and the same time be destructive of democratic institutions. School systems and news agencies, even where state censorship is at a minimum, have frequently been subverted to selfish national ends. In Part III of this book we shall see how the doctrine of economic nationalism, as practiced by the democratic Great Powers, has tended to deepen the cleavage between "Haves" and "Have-Nots" and thus to lay the foundations for an intensified form of economic nationalism now called *autarchy*.

At the present juncture of world affairs, democratic nationalism professes adherence to the tenets of international law and international cooperation. It may be that "the coincidence of democracy and nationalism, which for many generations was an historical fact and an ideological truth, no longer exists. On the contrary, democracy today is uneasy about nationalism."⁴⁰ National democracy has recently inclined toward a defensive policy of peace. The tragedy of the situation is that this conversion to "pacifism," whether lasting or merely temporary, has been delayed until a time when the dogs of military nationalism, driven by power-obsessed dictators, are running loose in the world. Not only has this apparent conversion come belatedly, but it has not been accompanied by the will to recast a nationalistic power-politics system into a coöperative world order. Tragically, again, the democratic nations have found themselves at a singular disadvantage in their eleventh hour efforts to check the poison of fascism and defend their own legitimate interests against its onslaughts. Liberally organized communities seem unable to match totalitarian régimes in achieving a unified mass drive for national policies. Accordingly, should it be surprising that the recent foreign policy of the democratic powers, at least until the Anglo-French war drive of 1939 against Hitlerism, has seemed so vacillating and confused?

Under the screaming banners of a fanatical fascism, nationalism is now seeking its revenge upon a frightened and bewildered liberalism which is apparently being forced to fight for its life and which, ironically enough,

³⁹ *Op. cit.*, p. 226.

⁴⁰ Hans Simons, "Democracy and Foreign Policy," in Ascoli and Lehmann, *op. cit.*, p. 308.

may perhaps find itself destroyed before the conflict is over. In our contemporary world, nationalism rules supreme as the social force "molding human destiny." "Fascism believes nationalism eternal, history a struggle of races or nations, the inequality of races and men permanent and beneficial, and an international peaceful order a heinous dream."⁴¹ Such is the challenge now facing liberal statesmanship—a statesmanship grievously handicapped by its own nationalistic heritage.

⁴¹ Hans Kohn, "The Twilight of Nationalism," *The American Scholar*, Summer, 1937.

VII

TECHNOLOGY AND COMMUNICATIONS

THE IMPACT OF INVENTION AND DISCOVERY

Men today live in two worlds at once. Within the quarreling family of nations, forces are ceaselessly at work which either ignore or transcend national divisions. The frontiers of these forces are limited only by the capacity of the human mind to fathom and conquer the mysteries of nature. As Professor Shotwell has recently reminded us, "there are two things more important than all others to the human race, work and thought; the day's labor and the inquiring mind. Until our own time these two never met—or never met to know their common task which is the amelioration and enlightenment of life itself. Their meeting, in the inventions and discoveries of the scientific age, has caused the greatest of all revolutions in history."¹ From laboratory, workshop, and study, during the last century and a half, there has come, quietly but inexorably, an endless series of blueprints, models, and ideas which have diminished physical distance and multiplied human contacts a thousandfold. Nor does this technological revolution show any signs of stopping. On the contrary, the voyage of scientific discovery is probably still in its initial stages.²

It is this fact of constant change which most vividly distinguishes the world of today from the prescientific age. Before the advent of modern industry the conditions of life were essentially static and repetitious. The social organization of mankind remained restricted in scale. "Most people lived in isolated communities, cut off from any but immediate neighbors;

¹ J. T. Shotwell, *War as an Instrument of National Policy* (New York, 1929), p. 24.

² As evidence, note the increasing rate at which patents are issued. In the United States "the number of thousands of patents issued every 10 years since 1880 are the following 218, 235, 334, 401, and 442 in the decade 1921-30. It would be most unusual if such a continuous series of inventions should suddenly cease. In the first third of the twentieth century there were 1,300,000 patents issued in the United States. In the second third of the century even more than one and a third million patents may be expected, since the line showing the number of patents per decade is a rising one. But even if the curve should turn downward, there would still be a very large number of inventions made."—W. F. OGBURN, "National Policy and Technology," in *Technological Trends and National Policy* (Report of the National Resources Committee, Washington, D. C., 1937), p. 5.

and within these communities they kept on doing the same things over and over again, year after year, generation after generation, century after century.”³ To be sure, change did take place, else there would have been no advance toward what we today call “civilization.” But the tempo of change was amazingly slow. Indeed, to any given generation it must have been imperceptible. Long, even, after the rise of handicraft commerce, most persons who lived in the trading cities had little sense of any relationship with the peoples of other city communities. Human life went on in routine fashion, subject to the awe-inspiring caprices of God and nature. It took thousands of years for primitive man to learn how to produce cereals as food, with the aid of certain domesticated animals. It required centuries to invent such a simple mechanical device as the wheel, which came from Asia; or glass, contributed by the Egyptians; or paper, of Chinese origin. The notion of the zero figure, first conceived by the Maya of Central America, did not become known to Europeans until they borrowed it from the Near East. According to some authorities, the discovery of iron smelting may be traced to the negro. Not only have the elements of our material culture stemmed from many different races, including, incidentally, some which are today regarded by westerners as “inferior,” but for centuries the dissemination of new instrumentalities of economic life proceeded at a snail’s pace because of the stubborn obstacle of physical distance. Cultural diffusion did occur, but the rate of diffusion could not become rapid until steam and electricity replaced the quadruped and the winds as motive forces of transportation. This same slowness characterized the march of scientific knowledge. What an interminable span of time separated the astrological speculations of the Babylonians, Hindus, and Egyptians from Galileo and his telescope!

Contrast the amazing rapidity with which cultural change has occurred since the eighteenth century. Routine and repetition may still mark the ordinary life of most individuals, but the context of their labors has become dynamic to the n th degree. Their environment constantly meets the intrusion of new techniques whose variety defies description. The practical application of these myriad techniques of our day no longer remains parochial for generations at a time; on the contrary, their ramifications become not merely national, but international, almost overnight. The findings of technical specialists “are described in the language of mathematics and precision, which is a universal language, and are spread with lightning rapidity to the four corners of the earth. Particular ‘trade secrets’ protected by patents may indeed be safeguarded and exploited for a time in some particular community. But the vast body of scientific literature is open to the scientists of the whole world. The problems of science are known to the scientists

³ Shotwell, *op. cit.*, p. 25.

of every civilized nation and a discovery in one place may be independently duplicated in a distant laboratory at any moment. In other words, this new and revolutionary element in international economic relations, like the general body of knowledge which is today spread rapidly and widely throughout the world, utterly ignores state boundaries."⁴ Or, as Sir William Bragg, the eminent British scientist, has tersely expressed it, "pure science, that which I have referred to as long distant science, is international. At a scientific conference nationality disappears. It is when the results of science are incorporated into business and trade that trouble begins."⁵

Although the effects of scientific discovery upon the world's life were felt long before the so-called "Industrial Revolution" took place in England, the curve of technological change did not ascend rapidly until the opening of the nineteenth century. During the latter part of the previous century, such inventions as Kay's flying shuttle, Hargreaves's spinning jenny, Arkwright's water frame, Crompton's mule, and Cartwright's power loom, paved the way for mass production in the textile industry. These new mechanical devices reduced costs and multiplied output at an amazing rate.⁶ In America, Whitney's cotton gin, invented in 1793, had an equally pronounced effect upon cotton production. The generation of power by steam, made possible by Newcomen's and Watt's inventions, gave rise to even more far-reaching changes, not only upon the emerging factory system, but also upon transportation. In 1807 the "Clermont," propelled by steam, made its first voyage up the Hudson River, while less than a generation later Stevenson's "Rocket" could travel fourteen miles an hour on rails. In 1825 the first steamship crossed the Atlantic Ocean, although it took twenty-six days! The early 1830's witnessed the appearance of the electric telegraph and by the middle of the century regular telegraph service between Britain and the Continent was established. Within the following decade, submarine cables had spanned the Atlantic and had been pushed as far eastward as India and Australia. In 1876 Alexander Graham Bell transmitted the human voice by wire, thereby rendering possible the ultimate establishment of a network of telephonic communication by land. Only twenty years later Marconi, of mixed Italian and Irish descent, took out his first patent on wireless telegraphy in England and, by 1902, Britain and America were enjoying regular wireless service across the Atlantic. In the meantime

⁴ From C. A. Beard, *The Idea of National Interest* (New York, 1934), p. 161. By permission of The Macmillan Company, publishers.

⁵ Quoted by E. C. Elliot in "The Interdependence of Science and Technology," National Resources Committee, *op. cit.*, p. 94.

⁶ "Between 1779 and 1812 the cost of producing a pound of cotton fell from 100 to 7, and between 1779 and 1882 from 100 to 2. . . . The British output of printed cottons rose from 21,000,000 yards in 1796 to 347,000,000 in 1830."—HERBERT HEATON, *Economic History of Europe* (New York, 1936), p. 510.

(1894), American inventive genius had produced the first motor car—an invention destined to transform the conditions of land transportation on every continent.

As a period of technological transformation, the present century gives indication of equalling, if not surpassing, its predecessor. Since 1900 the world has felt the impact of a rapid succession of remarkable inventions—the airplane, the motion picture, the talking picture, and the radio. In the domain of industrial production the Bessemer process of making steel from cast iron, discovered as early as the middle 1800's, has been followed by the use of high tension steel in construction and the large-scale application of chemistry to the manufacture of dyes, fertilizers, and artificial silk (rayon). Mechanized agriculture has been made possible by the reaper, a nineteenth-century invention, and the motorized tractor, a twentieth-century product. Rivaling steam in importance as an instrument of power, electricity has invaded every field of industry. By harnessing falling water, twentieth-century man is able to produce millions of horsepower of "white coal" (hydroelectricity) and transmit it at high tension from waterfall sites to industrial centers hundreds of miles away. Simultaneously, the production of thermoelectricity has been made "much more efficient by building larger turbines and dynamos, and by discovering methods of using such cheap fuel as lignite."⁷ New techniques of refining petroleum products have expanded the oil industry into a major source of power and heat—for the automobile, the motor truck, the oceanic transport, and the airplane; for the home, farm, office, and factory; for instruments of war, as well as of peace.

In the offing are a widely diversified group of other technical processes, some of which may affect the conditions of organized life as profoundly as many of the inventions of the past century. No compilation of these emerging techniques would be complete without the inclusion of television, now in process of being commercialized; artificial fibers, already widely used as "synthetic" substitutes in Germany and other industrial countries; air conditioning; the steep-flight airplane; the mechanical cotton picker; prefabricated housing; tray agriculture, probably destined to multiply plant yield tremendously; and last but not least important, the electron tube, which has already given us the photoelectric cell, popularly known as the "electric eye."

Thus far we have been sketching the highlights of the story of industrial invention during the last century and a half. An equally amazing record of progress is afforded by biological science. The laboratory researches of two pioneer investigators, one a Russian (Metchnikoff) and the other a Frenchman (Louis Pasteur), revolutionized the practice of medicine. In

⁷ Heaton, *op. cit.*, p. 518. In 1929 electricity supplied three-fourths of the power used in German industry and two-thirds of that used in British.

finding cures for hydrophobia and anthrax, Pasteur paved the way for the remarkable development of serum therapy and modern bacteriology. Who knows how many millions of babies, of all nationalities, have been saved from death as a result of the "pasteurization" of milk? Or how many millions of people the world over owe their lives to the labors of two German physicians whose names most of them have never heard—Robert Koch, the discoverer of the tuberculosis germ in 1882, and Emil von Behring, who made the first antitoxin serum for diphtheria a decade later? From the selfless labors of such scientific pathfinders, the development of preventive medicine and organized public hygiene got its initial impetus during the later 1800's. The succeeding half-century has seen the rapid extension of health education and the establishment of costly hospitals, clinics, and research laboratories throughout America and Europe. With the aid of Western philanthropy the organized campaign against disease has penetrated the Near East and the Orient. Expenditures for public health service have become an important item in the annual budget of every civilized nation. Such scourges as yellow fever, cholera, and the bubonic plague, which once ravaged mankind, have all but disappeared from the earth, while the average span of human life has been markedly increased.

In the field of surgery, the discovery of anesthesia, the credit for which goes to two American physicians of the 1840's, Crawford W. Long and W. T. G. Morton, led to advances little dreamed of previously. In 1876 further progress in surgical technique came from England with Lord Lister's introduction of antiseptics in operations. Twenty years later, the discovery of the X ray by Röntgen, a German scientist, opened up equally beneficent possibilities in both medical and dental diagnosis.^a In Paris, at almost the same moment, Professor and Madame Curie, the former of French and the latter of Polish nationality, were announcing to an astonished world their discovery of radium, the ultimate results of which were to shake the foundations of chemical science and prove of untold benefit in the treatment of such a dread disease as cancer.

The progress of medical science continues unchecked in the present century. To the Canadian chemist, Banting, the world owes its present knowledge of insulin as a means of treating diabetes. As these lines are written, a remarkable new drug, sulfanilamide, originating in a German industrial laboratory, is being hailed as perhaps the most important life-saving substance yet to be utilized by modern medicine. Already, its experimental use in American, French, and British hospitals has shown almost

^a "At the same time, it [the X ray] is used in therapy as in the treatment of endocrine glands. It is also used in industry to detect minute flaws in the interior of steel castings or other solid objects. Indeed, manufacturers of the X-ray apparatus have noted some sixty different uses of the X ray."—OGBURN, *op. cit.*, p. 9.

incredible results in the treatment of pneumonia, spinal meningitis, child-bed fever, and erysipelas.⁹ There seems little doubt that the attack on infantile paralysis now under way will produce results comparable to those already achieved by the campaign against tuberculosis. In proportion as civilization brings new diseases in its wake, experimental science in many countries struggles unrelentingly to fathom the cause and find methods of control or prevention.

The rate at which modern science and technology affect social life varies both functionally and geographically. Inventions have secondary as well as primary effects. Probably economic production is first affected, then consumption habits, and next economic organization generally. The impact upon the institutions of government takes longer to make itself felt, while the family, education, and social behavior resist still more stubbornly the intrusion of new techniques. The diffusion of scientific knowledge follows a somewhat different route, but it also is accompanied by a comparable series of "time lags." Across national frontiers varying degrees of diffusion take place. Some countries obviously undergo a more rapid rate of technical change than others. At present, the United States and the industrialized nations of western Europe constitute focal centers from which flows more of the stream of invention and scientific discovery than from all the rest of the world put together. Yet one would be hard put to find any national group from whose scientific curiosity and inventive capacity an appreciable contribution to the world's material progress has not come. The honor roll of the relatively few men responsible for the epoch-making inventions and discoveries of our time includes names with a score or more of different "nationality" pedigrees, many of them biologically quite mixed. All over the world, thousands of technicians of lesser fame have contributed their indispensable share to the evolutionary process of scientific experimentation. Laboring competitively, yet in coöperation, laboratory workers, inventors, engineers, and administrators from many lands "have multiplied the productivity of the soil, the output of factories, given the hand one hundred times its former power, opened out materials and processes of incalculable value to millions of persons; and opened the way to a wonderland of achievement in health and well-being. In their immediate channels they have swept aside superstition, prejudice, misunderstanding, ignorance, sometimes with little and again with much resistance, but with the inevitable conclusion emerging."¹⁰

⁹ See John Pfeiffer, "Sulfanilamide," *Harper's Magazine*, March 1939.

¹⁰ C. E. Merriam, *The Role of Politics in Social Change* (New York, 1936), p. 93.

THE WORLD'S TRANSPORTATION NETWORK

The world-wide reaches of our machine civilization are most directly visible in its transportation and communication facilities. Transportation includes all those activities that involve the spatial movement of people and goods. Communication proper has to do with the dissemination of news and ideas. When, however, the instrumentalities themselves are examined, we discover that transportation and communication considerably overlap. A railway train, for example, carries not only freight and passengers, but letters, books, newspapers, magazines, films, and objects which are factors in the interchange of information and ideas; similarly, with an oceanic liner or an airplane. People who travel may themselves take new ideas to the countries they visit, while the export of commodities and services may directly affect intellectual activity in the communities that receive them. Thus, although the technical media in which transportation and communication operate are by no means identical, the phrase "international communications" may be said to embrace every organized system of spatial transmission from one country to another. Political obstacles to the contrary notwithstanding, the range, speed, and variety of present-day communication facilities have literally scrambled the world's life. "Bound and contracted by steel rails and copper wire and electric current, the globe has shrunk rapidly during the last hundred years, until now it is easier for a Californian to trade with Europe, Asia, and Africa than it was in the eighteenth century for a New Englander to communicate with a Virginian."¹¹

Marine Transport.—The first marked enlargement of the scale of human intercourse came with the application of steam power to marine transportation. Both the tonnage of individual seacraft and the aggregate tonnage of the world's merchant fleets have increased many hundredfold since the replacement of the sailing vessel by the modern steamship. As late as 1850, there were probably 10,000,000 net tons of sailing ships on the seas, in contrast with less than 300,000 tons of oceanic steamers. Today the tonnage of wind-driven vessels has dwindled to relatively small proportions, steam-driven craft accounting for the greater part of the world's merchant fleets. Since 1900, their total gross tonnage has increased as shown on p. 153. Despite the sinking of over 12,000,000 tons of merchant shipping during the Great War of 1914-18, the world's tonnage was 2,000,000 tons larger at the time of the Armistice than it was in 1914. Through the first decade

¹¹ Hayes, *Essays on Nationalism*, p. 262.

after the War merchant shipping continued to expand at a rapid rate, followed by a slight contraction during the ensuing world-wide trade slump. As the world's foremost maritime power, Great Britain continues to hold first place in merchant tonnage, although her predominance is less marked than it was a generation ago. In 1914, British gross tonnage amounted to 42 per cent of the world's total; in 1938, it had fallen to 30 per cent—American, Japanese, Dutch, Italian, and Norwegian tonnage having correspondingly risen in importance.

TABLE VI
INCREASE IN GROSS TONNAGE OF STEAM VESSELS SINCE 1900 ¹²

Year	Total Tonnage	Per Cent Increase since 1900
1900	29,000,000	
1910	41,700,000	22
1920	57,300,000	98
1930	69,600,000	140
1938	66,900,000	131

Since the middle of the last century, important technical improvements have revolutionized the conditions of maritime transportation. As the basic material in seacraft construction steel has replaced wood. The compound engine, which attained efficiency by 1860, enabled steamships to halve their fuel costs and greatly increase their cargo space. A generation later the turbine engine reduced fuel bills still further and permitted the development of greater speeds. As a result of the invention of the Diesel motor by a German engineer in 1903, it became possible to use crude oil as a marine fuel, with a still greater contraction in operating costs both for fuel and for labor. When the War came in 1914, only 4 per cent of the world's merchant tonnage was burning oil. At the close of the postwar prosperity period in 1929, 40 per cent was oil-driven. Today over 15 per cent of the world's tonnage uses Diesel motors. The aggregate effect of these and other technical innovations was to reduce marine freight rates by 30 to 40 per cent, for the period 1922-28, below the level in effect during the period 1885-90.¹³ The trend since 1929 is still downward. These freight rate reductions have been a cause, as well as a consequence, of the marked expansion of international commerce that has taken place since 1850.

In the realm of passenger traffic, the size and speed of ocean liners have undergone amazing changes. It is a far cry from the simple sailing craft of a century ago to the floating sea palaces of today. Oceanic grey-

¹² *World Almanac* (1939 ed.), p. 682. Only vessels of 100 tons and over are included.

¹³ Abraham Berglund, *Ocean Transportation* (New York, 1931), chap. XII.

hounds, like the "Normandie" and the "Queen Mary," have grown to gigantic proportions, what with a length of 1000 feet, a tonnage displacement of 70,000, and a horsepower of 100,000.¹⁴ Still more impressive has been the cutting of the time-distance factor in oceanic passenger transportation. From a record time of twelve days, made by sail in 1854, the passage from Europe to North America has been reduced to only a little over four days, with corresponding reductions in the time required to cross the other oceanways of the globe. The completion of two great international canals, Suez in 1869 and Panama in 1914, cut thousands of miles from the water route connecting the world's great ports. Suez brought Bombay 4400, Hongkong 3400, and Yokohama 3000 miles nearer London and magnified the importance of the Mediterranean Sea as an artery both for world trade and for Anglo-French intra-imperial communications. Panama shortened the passage from New York to San Francisco by thousands of miles and brought the Pacific basin ports (including Sydney and Wellington) nearer to New York than to Europe. Though the Panama Canal was financed and constructed exclusively by the United States, nearly two-thirds of the tonnage that went through it in 1928 was under foreign registry, so greatly had it altered the course of maritime traffic.¹⁵

In addition to the regular liner and the "tramp" vessel, which carry all kinds of cargo, specialized types of freighters now ply the seven seas. Today oil tankers account for over one-ninth of the total marine tonnage of the world. The "refrigerated" vessel, which made its first appearance about 1880, has helped to change substantially the dietary habits of northern European peoples by making possible the year-round importation of meat, dairy produce, and perishable fruits from North America, South Africa, Spain, Florida, and California, and the East. Other special types of freighters have been designed for the long-distance transport of wheat, cotton, lumber, and steel.

In our time, oceanic transportation has become an intricately organized industry, including not merely the operation of thousands of ships, but such important subsidiary activities as marine insurance and brokerage. During the last twenty years the increasing competition for traffic has forced many of the great shipping companies to effect mergers with their chief national competitors. A few gigantic organizations now control most of the marine shipping of Great Britain, the United States, Germany, France, Italy, and Japan. Typical of these huge concerns are the Cunard-White Star and Inchcape Lines (British); the American President and Grace Lines (American); the *Compagnie Générale Transatlantique* (French); and the Ham-

¹⁴ For the most part freight cargoes are still carried in small vessels for reasons of economy.

¹⁵ The figures in the two preceding paragraphs are taken from Heaton, *op. cit.*, pp. 566-69.

burg-American-North German Lloyd (German). "Ocean shipping tends to be conducted most extensively by nations poor in natural resources and lacking opportunities for more profitable industrial expansion in other directions. . . . However, as national industrial efficiency becomes increasingly dependent upon basic materials, secured from distant lands, nations become less willing to depend upon foreign shipping for the maintenance of adequate supplies of essential materials and delivery of export goods."¹⁶ This is what accounts for the growing use of government subsidies to aid merchant marine development in the United States, Japan, France, Italy, Germany, and even Great Britain.

Because of the vast expansion of oceanic shipping since 1850, uniform navigation rules have had to be worked out by international agreement. The first effort in this direction came with the adoption of uniform rules by England and France in 1862. A little later the United States instituted practically identical rules. As these rules were revised from time to time by Great Britain, other leading maritime nations passed concurrent legislation. Since 1889, the unification of maritime law has been carried further by a succession of official international agreements negotiated and ratified by the leading maritime states of the world. The effective observance of these common rules depends almost entirely upon the common interest of shipping lines in promoting safety and convenience for their customers. Shipowners have been willing to sacrifice national customs and laws of commerce in order to secure uniformity of practice. Today world maritime regulations cover such matters as a distress signal code (the famous "S O S"), light ships, wireless equipment on vessels, the loading of cargo boats, and provisions for lifeboats and life rafts. As a consequence, the loss of life and property at sea has been markedly reduced during the last half-century. The ownership of oceanic shipping remains under separate *national* controls, but it operates under *international* traffic rules. By the technique of the steamship conference, the major shipping countries have unofficially agreed upon uniform freight rates on lines operating in the same region or between the same ports, thereby providing an instructive example of business internationalism in a world of competing nationalisms.

Inland Transportation.—Although internal transportation is geographically restricted to a much smaller portion of the globe than oceanic transportation, the economic intradependence of vast continental regions has been tremendously stimulated by railway, riverway, and motor highway traffic. The early railways, dating from the middle of the nineteenth century, first aided internal national unity. It was not long, however, until railway development had become an important contributing factor in the

¹⁶ H. B. Killough, *International Trade* (New York, 1938), p. 245.

expansion of commerce and travel across national boundaries. "In a little over a hundred years a tightly meshed network of railroad tracks has been laid across the European continent which is divided by more political frontiers to the square mile than any other part of the world."¹⁷ (Note the map below.) Since the completion of the Union Pacific Railroad in 1869, transcontinental railway service has become a commonplace feature of North American as well as European transport. With the construction in



FIG. II.—THE EUROPEAN RAILWAY NETWORK.

(Each railway is indicated by a white line representing twenty miles in width.)

From Finch and Trewartha, *Elements of Geography*. Reproduced by courtesy of the McGraw-Hill Book Company and the copyright holder, Professor Mark Jefferson. This map appeared originally in *Economic Geography*, July, 1928.

1904 of the Trans-Siberian Railway (the longest in the world), Europe has been connected by rail with the Far East. Luxurious Orient expresses run from London, Paris, and Berlin as far as Istanbul. Other parts of the Near and Middle East are now bound by rail with northern Europe by way of Istanbul and Moscow. Within recent years, even the "Dark Continent" has in no small measure felt the impact of overland transport expansion. By combining rail, steamship, and motor coach facilities, a regular overland route is now available from Cairo to the Cape. For some years the French have maintained a regular north-south motor service across the Sahara Desert, although east-west transcontinental connections in Africa are still

¹⁷ Ruth D. Masters, *International Organization of European Rail Transport* (International Conciliation, No. 330, Carnegie Endowment for International Peace, New York, May 1937), p. 487. The amazing effect of railway development upon travel time may be illustrated by the journey from Boston to New York. By stage coach, about 1800, this took four days. The streamliner of today does the trip in less than three hours—a reduction in time of around 97 per cent. See Eugene Staley, *World Economy in Transition* (New York, 1939), chap. I, for some excellent graphic representations of the technological shrinkage of distance.

rather precarious. Such is also the case in South America, where only two railway lines operate over the Andes. The Isthmus of Central America, however, is cut by several railways. Despite the disruptions caused by successive civil wars and Japanese invasions, railway development in China has reached a point where, under peaceful conditions, one may travel continuously by rail from bleak Vladivostok to sunny Canton. In India, Bombay enjoys rail connections with Delhi and Calcutta.

For the world as a whole railway mileage has doubled during the last two generations. In 1889, the total was estimated at 365,000 miles; by the close of the World War it had risen to 731,000. Since then, the advent of motor transport on a huge scale has halted railway expansion in such highly industrial countries as the United States, where thousands of miles of local railroads have had to be scrapped. Nevertheless, the aggregate operating trackage throughout the world still exceeds 600,000 miles. The distribution of this mileage by leading countries is estimated as follows:

TABLE VII
RAILWAY MILEAGE BY COUNTRIES¹⁸

COUNTRY	MILEAGE
United States	239,000
Soviet Union	52,000
India	43,000
Canada	43,000
Germany	42,000
France	41,000
Australia	28,000
Argentina	25,000
Great Britain	20,000

For every great country the volume of freight traffic runs into billions of ton-miles each year. Of the world total of 707 billions, as estimated for 1935, internal shipments in the United States accounted for nearly half. At the same time, the movement of freight by rail across European national frontiers represents a large item in the aggregate trade of the old Continent.

In order to overcome the obstacles presented by thousands of miles of political boundaries, various international agreements providing for uniform bills of lading, the reciprocal use of rolling stock, the fixing of responsibility for damages, unified time tables, and the like, have been concluded by the railway authorities of European states.¹⁹ Here again, although ownership,

¹⁸ *World Almanac* (1939 ed.), p. 364. Of the major national groups, the British and Germans are the foremost travelers by rail.

¹⁹ This intra-European railway cooperation has given rise to a number of continuing international organizations, notably (1) the Central Office for International Railway Transport,

management, and rate control remain national, a certain degree of technical and administrative unity with respect to the handling of trans-national railway traffic has been indispensable. "Sealed" trains may now pass through customs barriers without examination. On the other hand, it has not been possible to effect a common gauge for all European railways, the broad-gauged lines of the Iberian Peninsula, Finland, and the Soviet Union differing from the so-called "standard" gauges of the other systems.

Supplementing and to some extent antedating transport by rail, inland navigation still accounts for a substantial, even though diminishing, quota of international traffic in central Europe. Such rivers as the Rhine, Danube, and Scheldt were "internationalized" as early as 1815; the Po in 1859; and the Elbe, Oder, and Niemen in 1919. For supervision of the use of certain of these rivers, including the Rhine, the Danube, the Elbe, and the Oder, international administrative commissions have been created.²⁰ From the nineteenth century on, the principle of freedom of navigation has governed the regulation, not only of the great European international waterways, but also of such African rivers as the Congo and Niger and such American rivers as the St. Lawrence, Rio Grande, and Amazon. Considerable progress has been made toward the recognition of an international tonnage certificate in order that the re-measurement of rivercraft upon crossing political frontiers may be dispensed with. This sort of coöperation has become all the more desirable in view of the network of canals that now links together various European river systems.

Within the present century, transportation by motor bus and truck has become both a competitor of and an aid to rail and water traffic. During recent peak years, the world production of motor vehicles has exceeded 6,000,000 cars, more than two-thirds being of American origin. While the United States still holds an overwhelming lead in motorcar output, such countries as Germany and the Soviet Union have rapidly expanded their production within the past decade.²¹ World motor vehicle registrations jumped from 11,000,000 in 1920 to 43,000,000 in 1937, the American quota

established in 1893, with headquarters at Berne, Switzerland; (2) the International Railway Wagon Union, dating from 1921, with a central bureau also at Berne; and (3) the International Union of Railway Administrations, set up in 1922, with headquarters at Paris. The Communications and Transit Organization of the League of Nations has also been instrumental in promoting simplified traffic formalities and codifying the general principles of law governing international transport. See Masters, *op. cit.*, for a comprehensive survey of this whole development.

²⁰ By unilateral action in November 1936, the Nazi government of Germany denounced the jurisdiction of these control agencies, in line with its policy of liquidating all restrictions on German "sovereignty" imposed by the "hated" Treaty of Versailles.

²¹ German production increased from 80,000 cars in 1929 to 332,000 in 1937. The Soviet Union multiplied its output from a mere 1700 cars to 200,000 during this same period.—*World Almanac* (1939 ed.), p. 360.

declining from 84 per cent to 70 per cent. As in the case of rail and water traffic, a partial unification of regulatory rules has been achieved in Europe by international agreement. As a result of the efforts of the Communication and Transit Organization of the League of Nations, most European countries have adopted a uniform system of highway signalling, even though the rule of the road still alternates from left to right to left as one motors in a southeasterly direction from Britain to Turkey—much to the consternation of the international tourist! International agreements have also been effected for the purpose of avoiding the imposition of local taxes on motor vehicles while being temporarily operated in a foreign country.

Air Transport.—Until after the World War, the world's transportation network, remarkable as it had become, operated by land and water only. Railway, truck, canal, and river traffic combined to "assemble goods for ocean shipment, disperse incoming ocean freight and move goods overland from one contiguous country to another."²² Today, at least insofar as the carrying of people and nonbulky commodities is concerned, the airplane provides still another mode of transportation whose potentialities for speed are breath-taking. Except for the radio, nothing symbolizes our contracting world more dramatically than the amazing progress of aviation. Here, indeed, is a species of rapid transit that literally soars over man-made political frontiers and geographic barriers alike. Aircraft are peculiarly designed for long-range international, intercontinental, and overseas operations. Remote areas of the globe, long isolated from the centers of civilization, are now being brought into increasingly frequent contact with them. Since Lindbergh's spectacular "solo" flight from New York to Paris in 1927, the Atlantic Ocean has been spanned by air so many times that an ordinary flight is now hardly first-page news. All the other oceanways of the globe have been conquered by air. Around-the-world flights have been made for the purpose of demonstrating the potentialities of aviation. Circling the northern half of the globe in July 1938, Howard Hughes and his companions covered nearly 15,000 miles, from New York to New York, in less than 4 days, making an average speed in the air of 208 miles an hour. Only 5 years earlier it had taken Wiley Post almost 8 days to do 15,500 miles on his aerial navigation of the globe, with an average hourly speed in flight of only 127 miles. Within a fortnight of Hughes' spectacular feat, (1) Douglas "Wrong Way" Corrigan left New York alone in a rickety one-motor plane and landed 28 hours later in Ireland, which he thought was California; (2) the British pickaback seaplane "Mercury" flew westward across the Atlantic in less than 14 hours; and (3) the German seaplane "Nordmeer" made New York from the Azores in less than 18 hours. A year earlier a British plane

²² Killough, *op. cit.*, p. 249.

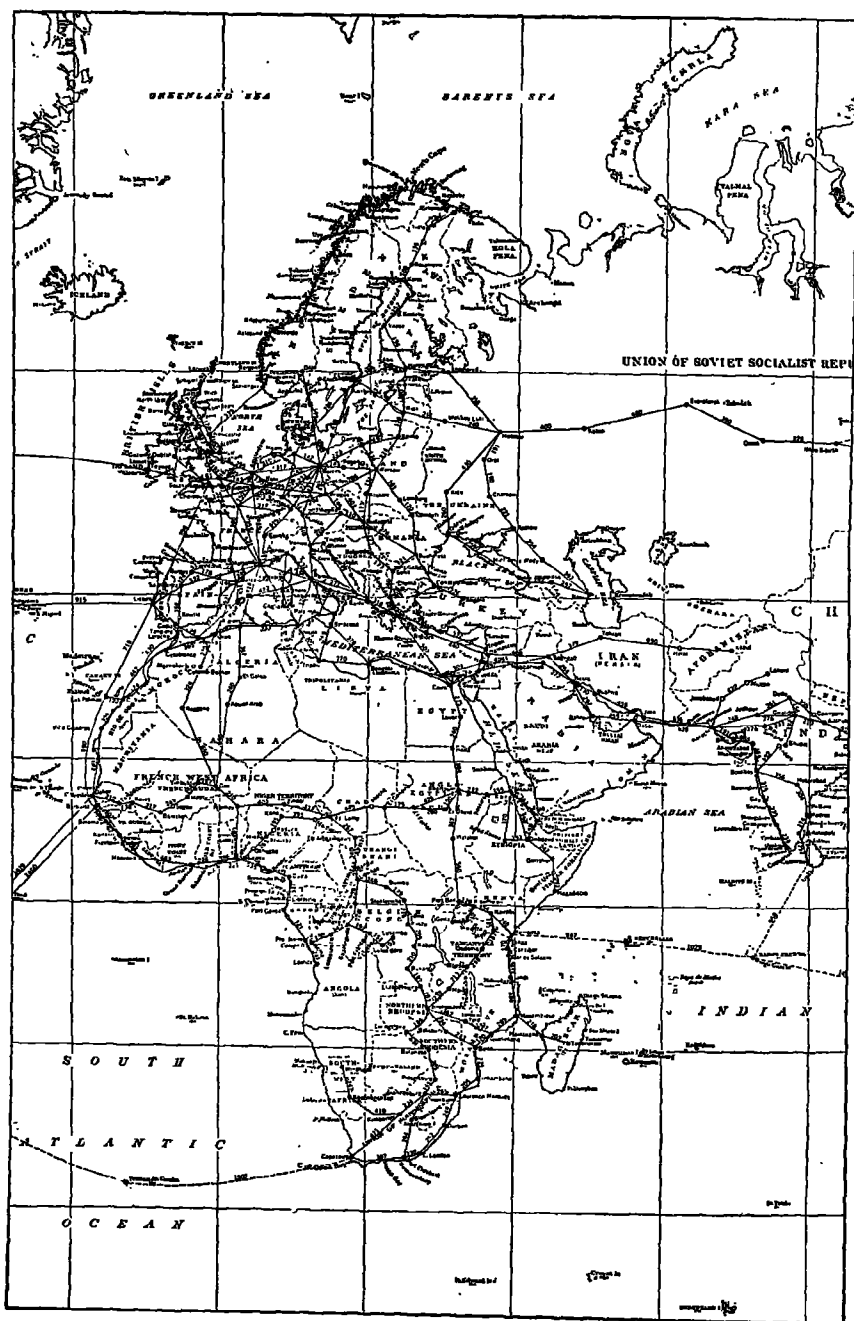


FIG. 12.—EUROPEAN AIR ROUTES.

By courtesy of the U. S. Hydrographic Office.

flew from London to Capetown, South Africa, in 45 hours, making only 4 landings and covering 7000 miles at an average speed of 160 miles per hour. In February 1938, 5 "flying fortresses" of the U. S. Navy made a flight from Miami, Florida, to Buenos Aires, a distance of 5225 miles, in an actual flying time of 28 hours and an average speed of 185 miles an hour. Military aircraft have already done over 450 miles an hour in test flights. So rapid is the development of aerial speed that the attainment of 500 to 600 miles an hour is confidently predicted for the not-far-distant future.

Although organized commercial aviation is less than twenty years old, regular air services for passengers and mail have already linked all the continents together. (See the map of commercial air routes on p. 160.) In Europe and North America intracontinental aviation has assumed the dimensions of a network rivaling that of the "crack" railway trains. Among the European states, Germany early took the lead in developing commercial aviation. Ironically enough, it was the ban on military aviation set by the Treaty of Versailles that focused Germany's attention upon the potentialities of civil aviation. Within a few years after the close of the War, air services were radiating from the Tempelhof Airport near Berlin to every major European capital. The British, French, and Dutch, however, lost little time in contesting German air superiority. London, Paris, and Amsterdam soon came to rival Berlin as air junction centers. By the early 1930's, with the aid of government subsidies and bonuses, "Air-France" had established a regular mail and passenger service to French North-Africa, Indo-China, and South America.²³ The Imperial Airways system has brought England into direct aerial communication with the Near East, India, Australia, and China. Not to be outdone by Britain, Holland has established air connections with its East Indian possessions. Southeastern Europe has been covered with competing air lines under German, French, British, Polish, and formerly Austrian and Czechoslovakian, control, while in the Mediterranean basin Italy has taken the lead in developing air transport. The first overland air route to the Far East was established by Soviet initiative, thus making it possible to fly continuously from Stockholm across the vast Siberian wastes to Vladivostok on the Pacific.²⁴ Nor has Africa been left

²³ In 1933 French maritime aviation was unified under a single corporation, *La Compagnie Air-France*, operating under a mixed system of public and private financing. From London a government plan to transform the two principal British private air transport companies into a public corporation was reported to be under way in 1939. All the Continental countries have utilized substantial government subsidies in developing their commercial aviation systems. For the year 1938 the British Treasury's subvention to Imperial Airways alone, for the development of Empire air routes, exceeded £900,000.

²⁴ Early in 1939 it was announced that the Chinese Government had concluded an agreement with British Imperial Airways for a through air mail and passenger service between China and Europe by way of Yunnan, Burma, and Hongkong. Negotiations for a similar service connecting China and the Soviet capital were reported to be nearing conclusion.

untouched by the phenomenal march of aviation. British Imperial Airways now link England with Cairo, Khartum, British East Africa, and Cape Town, while the French have established two transdesert air lines from Algiers to Dakar and the mouth of the Congo. The Italians have brought their East African colonial possessions into direct air connection with Rome.

In the Western Hemisphere, the control of an equally impressive air network rests almost exclusively in the hands of private American capital. For several years the Pan American system has maintained a commercial air service connecting the United States with Mexico, Central America, the Caribbean countries, and both coasts of South America. "It is only on the Atlantic coast of South America and along the east-to-west line from Buenos Aires to Santiago that French and German air navigation companies enter into competition with the United States lines; German lines also go straight across Brazil to Bolivia and have a considerable share in the Colombian air service. But apart from this the entire American continent is covered by a dense system of U. S. Air Lines."²⁵ Whether the United States will maintain its present overwhelming dominance in South American air transport is questionable, what with the frenzied efforts of the Nazi government to expand German aviation into the interior of the Southern continent.

In 1934, the first regular transoceanic air mail service was established between Europe and the east coast of South America by way of western Africa. This was the most favorable route for crossing the Atlantic since the open sea distance from Bathurst on the African coast to Natal in Brazil is only 1890 miles and weather conditions are less hazardous than in the North Atlantic. This South Atlantic air service is operated by French and German companies (including German Zeppelins). In 1936 Pan American Airways inaugurated its famous "clipper" service from the Pacific coast of North America to China—by way of Honolulu, Midway Island, Wake Island, and Manila. By 1938 this service had been extended northward to Peiping and westward to Chengtu in the Chinese interior. The roar of the "China Clipper" across 8700 miles of Pacific waters now makes it possible for mail and passengers, leaving Canton, to be in San Francisco three days later, with New York less than twenty-four hours further on.

The establishment of regular North Atlantic air transport has experienced greater vicissitudes on account of the vagaries of weather in that sea area. Experimental flights across the Atlantic were first made in 1928-29 by the "Graf Zeppelin." Seven years later a regularly scheduled service between Frankfurt and Lakehurst, New Jersey, was inaugurated. When the "Hindenburg" met with disaster while attempting to land at Lakehurst, this German effort to span the North Atlantic was temporarily abandoned. In

²⁵ Alexander Radó, *The Atlas of To-Day and To-Morrow* (London, 1938), p. 152.

the meantime, however, American and British aviation interests had initiated negotiations for the establishment of permanent air line services between New York and the British Isles. Although these negotiations were delayed by technical controversies, the year 1939 saw the completion of this last major link in the world's transoceanic system.²⁶ By "Yankee Clipper" service Southampton was brought within twenty-seven hours of New York. Men could breakfast one morning in the American metropolis and dine the next evening in London. It is now possible to circumnavigate the globe by air, going from New York to Southampton, thence to Singapore, from Singapore to Hongkong and Manila, thence to San Francisco and back to New York. Once long-distance air schedules are effectively synchronized, a round-the-world flight can be made in less than fourteen days, weather conditions permitting, and in luxurious comfort at that! Even this amazing time bids fair to be reduced within the next decade.

Thanks to the racing "giants of the air," the time factor in moving from one national capital to another is diminishing at an amazing rate. By air Paris is now only an hour from London and three hours from Berlin. As late as 1812, the time required was four and eight days respectively. New York will soon be closer to Paris than it was to Philadelphia in George Washington's day. Commenting on the spectacular achievements of long range aviation shortly after the Hughes flight, *The New York Times* observed editorially: "For a hundred years the world has been growing smaller. Now this shrinking has been enormously speeded up. Measured in travel time the globe is coming down to the dimensions of a parish. Theoretically we don't have to let this happen. Practically we can't help it. Man's drive to conquer space is as much a force of nature as the earth's tendency to revolve around the sun. We can say with perfect confidence that the airplane of the future will be safer, will go faster, and will have a longer flying radius than the ones we have today."²⁷ In spite of national fears and antagonisms, the technical progress of aviation moves ahead at a breathtaking pace. The obsolescence of aircraft, commercial as well as military, has become so rapid that new models tend to replace older ones long before the latter are worn out.

In terms of distance covered, air traffic has more than doubled during the current decade. In 1931, for the entire world, exclusive of the Soviet Union, the total number of kilometers flown was 135,400,000; by 1936, it had multiplied to 238,300,000. Expressed in ton-kilometers, the aggregate traffic

²⁶ In 1939 a prominent German airplane manufacturer predicted that within ten years it would probably be possible to fly from Berlin to New York in ten to twelve hours. *The New York Times*, 21 April 1939.

²⁷ Issue of 24 July 1938. "Hong Kong, Moscow, Port Said, and Istanbul are as close to Boston today as Baltimore and Utica used to be—that is, seven days of travel." Staley, *op. cit.*, p. 10.

of passengers, freight, and mail increased during these five years from 33,400,000 to 125,800,000, or almost 300 per cent. As new as long-distance commercial flying still was in 1936, intercontinental traffic accounted for 10 per cent of the total originating in the American hemisphere and for 24 per cent of the European total.²⁸ For obvious reasons, heavy goods do not figure in the freight load carried by aircraft, but it is likely that "air transport may, in time, become indispensable to rapid movement of the less bulky 'key' commodities. Nevertheless, from the point of view of freight carriage, air lines may be thought of more as a means of supplementing old forms of ocean shipping than in any important sense of replacing them."²⁹ As an instrumentality for accelerating international postal communication the airplane has already acquired an importance comparable to that of the oceanic steamer and railroad train a century go.

Because of the close connection of civil with military aviation, the progress of commercial air transport has been influenced, if not handicapped, by national military considerations. In virtually every country except the United States, governments have used subventions and various degrees of pressure to force the consolidation of competing private air lines into national monopolies managed or regulated by public authority. "The civil aviation departments of France, Germany, Great Britain, Greece, and Italy are part of, and subordinate to, their respective air ministries."³⁰ In the United States competition still prevails as regards domestic air traffic, but the Pan American Airways hold what amounts to an American flag monopoly over foreign air service.³¹ Due to the geographic security of the United States, American civil aviation has thus far been allowed to develop independently of military needs, and save for air mail contracts, without government subsidy. The day is coming, however, when national defense against a possible overseas air invasion may compel the United States to integrate its commercial and military aviation policies.

Not even the requirements of military nationalism have prevented the conclusion of intergovernmental agreements relative to "rules of the air." Without at least a minimum of international regulation, it would have been impossible to develop long-distance air service under conditions of relative safety and convenience. As far back as 1910, at an international air

²⁸ These percentages were derived from data contained in the *Statistical Year-Book of the League of Nations 1937-38*, p. 202.

²⁹ Killough, *op. cit.*, p. 248.

³⁰ L. C. Tombs, *International Organization in European Air Transport* (New York, 1936), p. 25. This volume is indispensable for an understanding of the difficulties involved in securing international coöperation in matters of commercial aviation. See also, for an earlier but equally reliable treatment of the problem, K. W. Colegrove, *International Control of Aviation* (Boston, World Peace Foundation, 1930).

³¹ E. P. Warner, "Atlantic Airways," *Foreign Affairs*, April 1938. See also D, "Pacific Airways," *ibid.*, October 1939.

conference convened by the French government, the first attempt to secure a convention regulating air navigation was made. This attempt ended in failure because of an irreconcilable conflict of view between the French and British regarding "freedom of the air." The former proposed an international charter in this sense; but the latter insisted upon the principle of "national sovereignty" over the air. As late as the World War, air legislation was still in an embryonic state.

The War gave a tremendous impetus to the technical development of aviation. By the Peace Treaties the victorious Powers imposed upon the defeated states a complete prohibition of military and naval aircraft. At the same time the need of regulating commercial aviation was recognized by the peacemakers. Accordingly, the Aeronautical Commission of the Peace Conference was instructed to draw up a general convention governing air navigation. Signed in Paris in October 1919, this Convention provided for a permanent International Commission for Air Navigation, with headquarters at Paris. By 1922 this Commission was actively functioning, fourteen countries having subscribed to the Convention. Subsequently, sixteen other countries joined the organization. Unfortunately, and unwisely it now appears, the ex-enemy states were not permitted to become original members of this international air organization, the control of which, for several years after the Armistice, rested with the British Empire, France, Italy, and Japan. Nevertheless, the rapid development of civil aviation in Central Europe soon led a number of neighboring countries to negotiate temporary air agreements with Germany. Eventually, by 1929, the general Convention was amended so as to allow for the admission of Germany and other states on an equal basis with the existing members. But the rise of Nazi nationalism in Germany, culminating in that country's withdrawal from the League of Nations and Disarmament Conference, had the unfortunate result of reversing the German Reich's decision to adhere to the revised Convention. Nor has the United States ever ratified its signature to the agreement of 1919. The Soviet Union has likewise remained aloof.

Despite the fact that the International Commission for Air Navigation officially represents only about half the states of the world, the principles of air law enunciated in its governing Convention have been incorporated into the national legislation of practically all countries, American as well as European. In 1928 a Pan-American Air Convention, drawn up at Havana to facilitate the regional development of aviation in the New World, subscribed to the essential provision of the Paris Convention. Over thirty bilateral agreements have, with some exceptions, also followed its lead. While the public and private air law of the world is still far from being completely unified, it rests on a sufficiently common core of principles not to

impede seriously the advancement of international air navigation—at any rate in peace time.

This world air law recognizes “the complete and exclusive sovereignty of each state over the air space above its territory, both mother country and colonies, and territorial waters adjacent thereto, including the right to exclude foreign aircraft.”⁸² In time of peace, “freedom of innocent passage” is accorded by most states to the aircraft of other states under conditions laid down by general or special agreement. For military reasons, or in the interest of public safety, states may prohibit foreign aircraft from flying over certain specified areas, provided their location and extent are publicly indicated in advance. All aircraft must be registered according to the laws of each state, while copies of every new registration and cancellation, at least insofar as the parties to the Paris Air Convention are concerned, must be exchanged once a month among all contracting states. For the promotion of safety in flying, both the Paris and the Pan-American Conventions prescribe the observance of certain traffic rules, including the issuance of certificates of airworthiness and the licensing of pilots by competent national authorities, the keeping of logbooks, the display of lights and signals, the use of wireless equipment, landing regulations, the ground marking of airports and air routes, and the dissemination of aeronautical information. The Secretariat of the International Commission for Air Navigation gathers statistics on air traffic, lists the licenses issued by the different states, and publishes a weekly bulletin of information in French and English. Recently the preparation of a base aeronautical map of the world was undertaken. The Commission itself, consisting of one representative of each of the member states and meeting at regular intervals, is empowered “to adapt technical regulations to the requirements of air traffic”; to conduct factual inquiries, for which it has set up several technical subcommittees; to give advisory opinions on such questions as may be submitted to it; and to act as a tribunal for settling disagreements between member states as to the interpretation of air traffic rules.

While the International Commission for Air Navigation is the only *permanent* intergovernmental organization concerned with commercial aviation, various other manifestations of coöperative activity in this field may be cited. Since the 1920's, regional conferences for the coördination of air routes and schedules, as well as the consideration of complicated technical problems, have frequently been held. For the most part these meetings consist of administrative experts who can carry out decisions without waiting for the tedious procedures of formal diplomacy. There have been such conferences for northern Europe, for the Mediterranean, for the Baltic-Balkan region, for Pan-America, and most recently, for the North Atlantic

⁸² Tombs, *op. cit.*, p. 53.

area. Nationally subsidized companies, chiefly in Europe, maintain a kind of "trade" association (the International Air Traffic Association), with headquarters at The Hague. This organization holds biennial sessions for the discussion of operational matters on which coördinated action is commercially desirable. As a result of the deliberations of the Association, synchronized time tables for European air lines, an international bill of lading, and an international passenger ticket have been agreed upon. Through rates, regardless of intervening national frontiers, have also been worked out, as well as arrangements for the transport of passengers and baggage by combined air and rail facilities. Reference should also be made to the efforts of the Communications and Transit Organization of the League of Nations to free air transport of hindering national restrictions. The League Transit Committee works in close coöperation with the International Commission for Air Navigation, which is also under the general supervision of the League.

From the technical standpoint, man's conquest of the air is an established fact. Before many years, the hazards of wind, fog, and ice will undoubtedly yield to the inventive genius of the radio and aeronautical engineer. The existing obstacles to the fullest utilization of the spectacular achievements of aviation are primarily political. State sovereignty remains the "bugaboo" of international air transportation.³³ It is regrettable that the science of aviation "cut its teeth" in time of war. To date all efforts to achieve a thoroughly international organization of what is inherently an international transport instrumentality have crashed on the rock of competitive militarism. As will be apparent later, the internationalization of civil aviation is not likely to be achieved until military aviation is brought under effective international control. "Lacking such international organization, the air peril will continue to disturb, or even terrify, the nations, and air transport itself will not have attained that degree of freedom which alone will enable it to serve Europe and the world."³⁴ Until the great states of the world are prepared to limit their competition for power, the

³³ The absurdity of this concept, when applied to aviation, is evident, not only with respect to the large, populated land areas of the globe, but also as regards the uninhabited islands of the sea. Tiny islands, formerly of no commercial value, have recently become involved in national rivalries because of their importance as air junctions. In 1938, for example, Great Britain and the United States set up conflicting "sovereign" claims to two little Pacific islands in the Phoenix group, located about halfway between Hawaii and Australia. After protracted negotiations, the two governments agreed to a system of joint control and administration for a period of fifty years. Under the terms of the agreement, these islands are to be "available for communications and for use as airports for international aviation, but only civil aviation companies incorporated in the United States of America or in any part of the British Commonwealth of Nations shall be permitted to use them for the purpose of scheduled air service." (Text of Secretary Hull's note to Ambassador Lindsay, 6 April 1939.)

³⁴ Tombs, *op. cit.*, p. 204.

very sight of an airplane will continue to suggest to millions of human beings the horror of bombs and gases, rather than a justifiable pride in the capacity of man to wing his way over the vastness of the planet on which he must live—and die!

THE WORLD'S COMMUNICATION SYSTEM

International Postal Service.—To the average person, the dispatch of a letter overseas seems but a perfunctory operation. It seldom occurs to the sender that he is making use of the most nearly universal institution of world government on earth—the Universal Postal Union. Established nearly seventy years ago, this organization is at once an example of successful intergovernmental coöperation and a silent index of world interdependence in the machine age.

Prior to the advent of railroad and steamship, the business of transporting correspondence from country to country rested on a precarious, if not a chaotic, basis. As a modern public service, the post originated in the fifteenth century to help meet the need of western European monarchs for revenue, to aid in combating espionage, and to assist in the development of overseas empire. The first English postmaster-general appeared in the reign of Henry VIII. Contemporaneously, in France, the rulers of the *ancien régime* instituted the practice of carrying official dispatches by relays of horses organized along national highways. Gradually, as the territorial scope of European trade expanded, merchants and guilds sought relief from the burden of handling commercial correspondence themselves. Once the postoffice was established as a public monopoly inside the national states of the period, it was not long before various governments began making bilateral agreements with their neighbors for the development of postal facilities, chiefly by stagecoach, between their respective territories.

By the time the railway and steamship appeared on the scene, these bilateral agreements had become numerous. Far from providing a coördinated international postal system, however, they did little or nothing to bring order out of confusion as regards rates for foreign mail, the routing of letters, or the clearing of postal accounts among governments. As late as the mid-nineteenth century, "sea postage and transit charges were levied with bewildering variations depending usually upon the route traversed or upon the nationality of the vessels making the conveyance. In sending an article to Austria from America, for example, it was important to know whether it was to go by steamer sailing for Bremen or Hamburg direct, or via England, or via France, for the rate would be fifteen, thirty, or forty-

two cents per half ounce according to the choice of routes.”⁸⁵ To add to the confusion, there was no uniformity as to the units of weight upon which postal rates were based. Certain countries arbitrarily restricted the thickness or spatial dimensions of foreign letters. People would often use blue ink and folded letters without envelopes because they were lighter in weight. “The complicated accounts necessary between countries maintaining postal relations, each of which, in many cases, had to be credited with its portion of the sum prepaid on *each* article (not on the aggregate weights of the mails) demanded records of bewildering complexity, while the actual collection and transmission of the foreign balances was difficult and expensive.”⁸⁶

After several decades of experience with this chaotic situation, and with the volume of international postal business growing rapidly all the while, two nations took the initiative for a broader type of international coöperation in postal matters. In 1862 the Postmaster-General of the United States proposed that a conference of leading postal administrations be convened with a view to a common agreement on such problems as rates and accounts. Attended by representatives of fifteen states, the first international postal congress met in Paris the following year. Although no general postal convention emerged from its deliberations, the existing evils were diagnosed and certain principles enunciated as guides for future bilateral agreements. During the succeeding decade, such agreements tended to become increasingly uniform. Weight rather than distance was taken as the basis for determining rates and the clearing of international postal accounts was considerably simplified. In the meantime, Prussia, following its forcible expulsion of Austria from the German customs and postal union, successfully unified German postal administration under the North German Confederation. Proud of its own postal achievement, Germany took the lead in calling a second international postal conference in the hope of organizing a worldwide postal service. Delayed by the Franco-Prussian War, this conference did not actually meet until 1874 in Berne, the capital of neutralized Switzerland.

Here it was that the Universal Postal Union was born. After four weeks of discussion, the assembled postal officials from twenty-two states agreed upon the adoption of a general postal convention, based largely upon a draft project submitted by the German delegation. Serving as the constitution for the new postal organization, the Convention of 1874 provided for a permanent administrative bureau at Berne and the holding of subsequent postal congresses at periodic intervals. Any state or autonomous postal ad-

⁸⁵ J. F. Sly, *The Genesis of the Universal Postal Union* (International Conciliation, No. 233, Carnegie Endowment for International Peace, New York, October 1927), p. 11.

⁸⁶ *Ibid.*, p. 14.

ministration may join the Union, upon adherence to the provisions of the Convention, merely by giving notice of such intention to the Government of the Swiss Confederation, whose postal department has general administrative supervision over the Bureau of the Union. Today, with negligible exceptions, the entire inhabited area of the earth is embraced by the Postal Union, which forms in effect a single world-wide postal area.³⁷

Within this area, actual postal operations are conducted by national authorities, but in terms of a set of coördinated relationships which have markedly improved the efficiency, reduced the cost, and enlarged the range of international mail facilities. At nine successive postal congresses, the provisions of the original postal convention have been revised and expanded so as to facilitate technical progress in world postal communication. Not only has the principle of freedom of transit for postal matter been adopted by all countries, but moderate scales of postal rates are now uniformly fixed according to weight and mileage. Since the invention of the postage stamp by Rowland Hill nearly a century ago, international postal service has been broadened by the establishment of provisions for registering and insuring letters and articles of declared value, special delivery services, a money order system, and the parcels post. Although the bulk of the international postal business is still transported by rail and steamer, air mail has rapidly developed since 1920. At a special Air Mail Conference held at The Hague in 1927, rules governing conveyance of letters and parcels by air were drawn up and made an integral part of the general postal convention two years later. At the Cairo Postal Congress of 1934, a maximum surcharge for foreign air mail was adopted. Before many years, barring the catastrophe of another *prolonged* world war, it is likely that such matters as a universal postage stamp and a world-wide postal savings bank system will come before the Postal Union for serious consideration.

Much of the success of the Postal Union has been due to the work of its permanent bureau. Consisting of a small staff of expert officials, the bureau prepares the agenda for the postal congresses; handles requests for amendments for the postal convention which are submitted by national postal administrations between sessions of the Congresses; makes investigations; compiles information on postal developments all over the world; acts as a clearing house for the settlement of accounts; and publishes authentic lists of postoffices, postal maps, an annual report, and a monthly bulletin in four languages. Whenever disputes arise between different postal administrations, the bureau may be called upon for an advisory opinion on the issues in-

³⁷ Membership includes not only "sovereign" states, but also colonial dependencies, either singly or by groups—eighty-eight units in all. See B. Akzin, "Membership in the Universal Postal Union," *American Journal of International Law*, October 1933.

volved therein. In case disagreement persists, the controversy must be settled by arbitration. For this purpose, each of the parties concerned selects another member government of the Union not interested in the affair. If the two arbitrators fail to agree on a settlement, they choose a third postal administration, which has the deciding vote. Although such disputes have not been numerous, adjustment by amicable procedure, either through direct negotiation or arbitration, has been relatively easy in the few instances where controversies have occurred.

For its financial support, the Postal Union relies on annual contributions from its members. The amount of each contribution is determined by a formula which takes into account area, population, wealth, and so on. The total budget, amounting to about 360,000 Swiss francs (\$70,000), is divided into approximately 900 units of assessment, the members paying 25, 20, 15, 10, 5, 3, or 1 unit respectively, depending upon their position on the scale.⁸⁸ In the postal congresses, each member, whether a "sovereign" state or not, is entitled to one vote. This arrangement somewhat weights representation in favor of the colonial powers, the British Empire having seven votes; France four; the United States, Japan, Holland, and Portugal three each; and Italy, Belgium, and Spain two each. Proposals for amending the Postal Convention are adopted by majority vote. Although, strictly speaking, such amendments require ratification by each member government before they become legally binding, postal administrations customarily observe their provisions without waiting for the formal act of ratification, which, as a matter of fact, is frequently dispensed with. By giving notice one year in advance, members may withdraw from the Union. The reciprocal advantage to all countries in having a smooth-working world postal system has been sufficient to make this provision a dead letter. Only in time of war are the postal relations of states subject to interruption. Between belligerents, postal correspondence becomes illegal and virtually ceases. Between neutrals, the extent to which postal matter should enjoy immunity from interference remains an unsettled question.

Within the flexible framework of the Universal Postal Union, it is possible for individual states to enter into special postal agreements with one another. The United States, for example, has parcels post and air mail agreements with numerous countries. Regional postal conventions are also permissible. With a view to furthering joint action on postal matters of particular concern to the Americas, the United States played a leading rôle in the setting up of the Pan-American Postal Union, with permanent head-

⁸⁸ The share of the United States in financing world postal government is about \$3,500 annually. Appropriations of \$7,000 to \$10,000 defray the expenses of American delegations to the World Postal Congresses.

quarters at Montevideo.³⁹ The work of this organization supplements and in certain respects duplicates the activities of the World Postal Union.

The tremendous expansion of the world's postal business since the 1870's has been due not only to the rapid growth of international trade and travel, but fully as much to effective arrangements for coördinating postal management and finance at the international level. "The tons of personal and business messages carried by the international postal service, which we now take for granted, is something new and revolutionary in the world's history."⁴⁰ Shortly after the Universal Postal Union celebrated its fiftieth birthday, it could report (1927) that the total number of pieces of postal material handled annually then exceeded 3,000,000,000, in contrast with only 144,000,000 during the year the Union came into existence. This represented an increase of over 2000 per cent in only half a century. The number of insured articles had risen from 685,000 to more than 4,000,000, while the number of money orders had increased from 918,000 to about 20,000,000 a year. The official intercourse of governments themselves has accounted for no small share of the increase in international postal operations. From national foreign offices, treasury departments, ministries of commerce, agriculture, and labor, there flows a constant stream of mail to diplomatic and consular representatives around the world, while the inward flow of dispatches from embassies, legations, and consulates to home governments is probably even greater.⁴¹ It is no exaggeration to say that the conduct of the business, social, and political life of the present-day world would be impossible without that degree of interstate coöperation which is necessary for the maintenance of efficient postal service.

The Organization of Telecommunications.—In one form or another, the transmission of information by overland and maritime mail facilities has behind it a history of several centuries. Such is not the case, however, with the instantaneous transmission of intelligence by the invisible and intangible media of telegraph, telephone, and radio. As already indicated, the first of these remarkable instrumentalities of communication is scarcely a century old. Nevertheless, they have done more to bring the four corners of the globe into direct daily contact than all the earlier modes of transit put

³⁹ This organization, dating from 1911 and reorganized in 1921, now embraces twenty-two American governments, in addition to Spain. In 1931 the name of the organization was changed to the Postal Union of the Americas and Spain.

⁴⁰ Stalev, *op. cit.*, p. 19.

⁴¹ As an illustration of how rapidly the volume of diplomatic mail has increased during the last quarter-century, the record of the American State Department may be cited. For the year ending June 1914, the Department handled 162,000 pieces of mail. By 1935 the total had grown to 800,000. Three years later it was almost a million. *The New York Times*, 16 April 1939.

together. These new facilities differ from the instrumentalities of mail service in requiring much more complex technical and administrative arrangements for their smooth operation. The effort to secure effective international coördination has encountered correspondingly greater difficulties. Yet the fact remains that any day the inhabitants of the earth can now hear infinitely more unseen voices from afar than Joan of Arc ever imagined she heard—thanks to man's scientific harnessing of the mysteries of the air.

Space will permit us to observe only the highlights of this amazing story. It begins with the commercialization of the overland electric telegraph. Each nation first developed its own domestic telegraph system, in some cases by private initiative, in others through a government monopoly. In Europe, by the middle of the nineteenth century, numerous bilateral and regional agreements for the regulation of rates and related matters had been negotiated. Just as in the case of postal development, these fragmentary arrangements failed to produce the unity and economy required for an efficient continental telegraph system. Accordingly, on the invitation of Napoleon III, a general telegraphic conference was held at Paris in 1865 to draw up plans for an all-European telegraphic union. Because of the disturbed political conditions of the time, the Paris convention left much to be desired. It was not until 1875, at St. Petersburg, that a permanent setup for the new International Telegraphic Union was worked out.⁴² For more than a half-century, the St. Petersburg Convention, as amended in minor particulars at subsequent conferences, governed the international aspects of telegraphic communication, not only for Europe, but for much of the Near and Far East and parts of South America. For reasons that will emerge later, the states of North and Central America have, however, remained aloof.

The second stage in the story comes with the laying of the transatlantic cables. This spectacular achievement, dating from 1858-66, made submarine telegraphy possible. Following some initial breakdowns, cable communication had assumed the proportions of a world-wide network by the end of the century. A generation later, twenty-one cables were in operation across the Atlantic, and the world had a total of 3500 cable lines, with an aggregate length of 300,000 miles, connecting every continent and all important countries.⁴³ The ownership of these cable communication facilities is almost entirely national and largely private, British and American capital predominating. For a long time, the British had virtually a cable monopoly, but with the present century their position has been challenged by the United States. At present, North Atlantic cable communications are controlled by

⁴² Its headquarters, incidentally, were located at Berne so that close liaison with the Postal Bureau could be effected.

⁴³ Killough, *op. cit.*, p. 251.

CABLE CHART Including WESTERN UNION CABLES

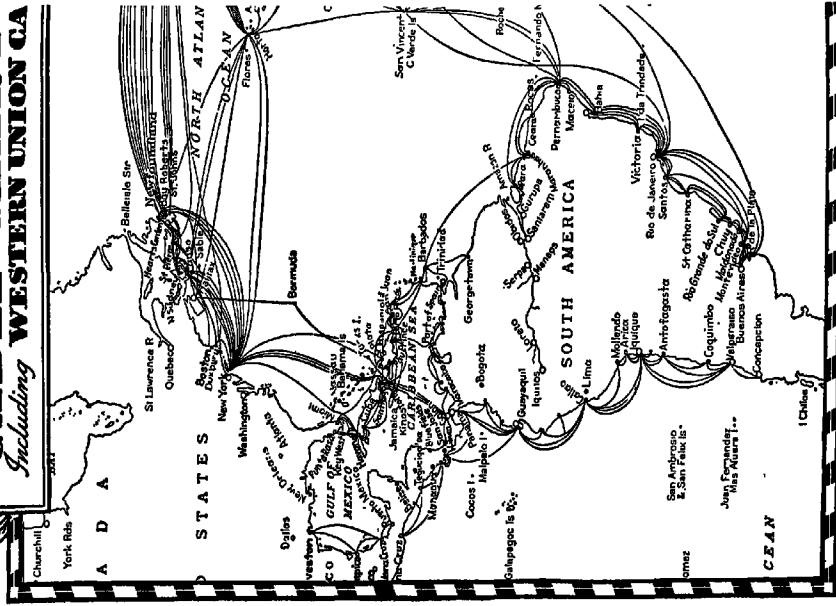
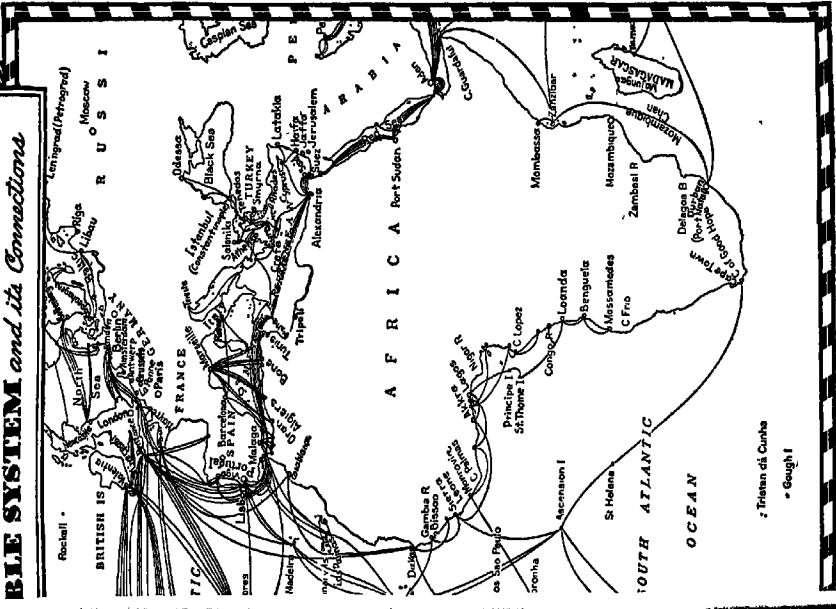


FIG. 14.—CABLE CHART
Reproduced by courtesy of the Western

OF THE WORLD ELE SYSTEM and its Connections



OF THE WORLD.
Union Telegraph Company, New York

fifteen American companies, two British, and one French. Between Europe and South America, Franco-Italian lines compete with British for cable business. From Europe to Asia and Australia, the British control the field save for one Danish line which connects Northern Asia with Europe. Between Europe and Africa, British-owned lines share a monopoly with the French intercolonial system. Across the Pacific Ocean, American companies monopolize cable communication with Asia, while a British system connects Vancouver with Australia and New Zealand.⁴⁴

Although the need of international rules for the protection of submarine cables in peacetime and their neutralization in time of war was early recognized, nationalistic politics delayed agreement until the 1880's. Following several abortive conferences, a Convention for the Protection of Submarine Cables went into effect in 1888. By that time all the states whose nationals had investments in cable systems had passed identical legislation for the purpose of giving force to the Convention, which is still operative.⁴⁵ Although it did not set up any continuing administrative mechanism, the Convention makes the injury of cable properties an offense punishable in the competent tribunals of the states parties to the agreement. "A common right to police the high seas, to exercise the right of visit and search is given to warships and to specially commissioned ships of any of the contracting powers. . . . Therewith is created a jurisdiction outside the limits of the national states. The offender can be apprehended, his person can be delivered internationally to national custody, his case can be submitted internationally in the national court."⁴⁶ A glaring deficiency of the cable Convention is that it applies only to peacetime. During wars involving sea powers, cable communication is subject to the hazards of interruption by belligerent naval action. To date all efforts to secure the effective neutralization of cable systems have ended in failure. One of the first things the Allies did in 1914 was to cut the German cables in the Atlantic and Pacific. From the Allies' point of view this action was justified on grounds of military "necessity." Technically considered, the world's cable communication system may be adequate enough, but it is still far from enjoying the status of an *internationalized* public utility open to all peoples in war as well as peace.

We come now to the third stage in the history of international telecommunications. This stage coincides with the commercialization of wireless

⁴⁴ Cables and Wireless, Ltd., a giant British holding company formed in 1929, is said to control over half of the world's cable mileage.

⁴⁵ See Keith Clark, *International Communications: the American Attitude* (New York, 1931), chap. III, for a detailed survey of these developments. By the Treaty of Versailles, Germany was required to renounce all her rights and interests in submarine cables. She has not yet regained her prewar position.

⁴⁶ *Ibid.*, p. 133.

telegraphy.⁴⁷ Following Marconi's initial experiments, the first land-to-ship wireless station was established in 1897. Four years later the Marconi Company, backed by the British and Italian governments, sent its celebrated signal "S" of three Morse dots across the Atlantic from Cornwall to Newfoundland. By contractual arrangement with all English stations, the Marconi Company gained the exclusive right to supply their equipment. Ships not carrying such equipment soon discovered that their messages would not be taken by Marconi stations. In 1903, with a view to breaking the Marconi monopoly, the German government convened the first international conference on the control of wireless. Attended only by eight European countries and the United States, this conference proved abortive largely because of opposition from the powerful Marconi interests. Three years later, however, the use of wireless had developed to such an extent that some sort of international regulation became imperative. A second conference, embracing thirty states from four continents, met again in Berlin and negotiated a convention regulating radio telegraphy. This Berlin Convention, which became effective in 1908, covered the transmission of messages between ships at sea and coastal stations. Among other matters, it adopted the principle that distress calls should have absolute priority. Each signatory state agreed to impose the provisions of the Convention upon the private enterprises operating under its jurisdiction. Arrangements were concluded for the calling of subsequent conferences.

The appalling "Titanic" disaster of 1912 brought into vivid relief the inadequacy of existing wireless arrangements for safety at sea. At London, a few months later, a much stronger and more comprehensive convention was negotiated by forty-three governments. In this new agreement, the term "radio," reflecting technical advancement, replaced the older term "wireless." The exchange of correspondence by radio was made obligatory not only for the ships of all countries, regardless of the radio system they used, but also for "fixed stations . . . between land and land." In order to integrate radio more closely with telegraphic regulation, the bureau of the existing Telegraphic Union at Berne was designated as the joint administrative secretariat for the two services. A special Conference on Safety of Life at Sea, held the following year, resulted in an agreement whereby all ships carrying fifty or more persons were required to install radiotelegraph apparatus.

The next international radio conference was to have been held in 1917, but the World War necessitated its postponement. The international problem of radio, then spreading by leaps and bounds, received the attention of the Paris Peace Conference, which issued a draft of revised regulations.

⁴⁷ For an excellent survey of the development of wireless and radio regulation, see J. D. Tomlinson, *The International Control of Radiocommunications* (Geneva, 1938).

At a preliminary Conference on Electric Communications held at Washington in November 1920, further regulations were prepared, though never put into effect. In the meantime, radiobroadcasting was rapidly emerging from the experimental phase. In the United States the first broadcasting companies had begun the business of radio entertainment and advertising in 1920, soon to be followed by organized European broadcasting systems. Lacking any effective public regulation, confusion became rampant. Rival companies thought nothing of blotting out the programs of their competitors by using the same frequency with greater power. It soon became apparent that use of the ether would have to be "rationed," not only *intra*-nationally, but *internationally* as well, if radiobroadcasting was to develop on an orderly basis.⁴⁸ At this juncture the American government took the initiative in calling for a broad international agreement on the allocation of wave lengths and related technical matters. At the Washington Conference of 1927, such an agreement was formulated and signed by seventy-four governments.⁴⁹ All but three governments (United States, Canada, and Nicaragua) signed a set of supplementary regulations. Reflecting the remarkable progress of radio since the 1912 Conference, the coverage of the new Convention was made much more comprehensive. All forms of radio communication, from ship to ship and from land to land, are embraced by its provisions. Its most far-reaching innovation was to distribute wave lengths among the various types of radio service (fixed, mobile, maritime, aviation, broadcasting, amateur, and so on) rather than to allocate them by countries, which would probably have been an impossible task. The different services were placed within three frequency bands: a low-frequency (long-wave) band; a high-frequency (short-wave) band; and a broadcasting band. Member states "may assign any frequency and any type of wave to any radio station within their jurisdiction," with the important proviso that such assignments may not cause interference with the existing radio systems of other countries. Stations likely to produce interference must be assigned frequencies in accordance with a table in the general regulations attached to the International Convention. Four months before any state may authorize the operation of a station likely to interfere with broadcasts from stations located in neighboring countries, notice must be given to the bureau

⁴⁸ The high frequency or short waves used in international broadcasting travel in the upper atmosphere. They leap off transmitting towers, shoot around the earth, and skip back and forth in amazing fashion. "Due to the geophysical structure of the earth and atmosphere, and the demands for all types of radio service, only about sixty-five channels or wave lengths are available for the new service of international broadcasting."—W. S. LEMMON, "International Broadcasting," *International Quarterly*, Winter, 1939.

⁴⁹ Because the United States had not recognized the Soviet Union, the latter country was not invited to this conference, with the result that the Soviet radio system was developed without much regard for the Washington Convention.

at Berne, which thereupon informs the radio authorities concerned. If interference actually results, arbitration must be resorted to, substantially as in the case of postal disputes.⁵⁰

No attempt was made at Washington to adjust services within the three frequency bands or to disentangle the jumble caused by the overlapping of radio stations situated in close proximity across national boundaries. Instead, this perplexing problem was left for adjustment by bilateral and regional agreement. So far as Europe is concerned, a Conference of Experts held at Prague in 1929 adopted a plan for the allocation of wave lengths on an international basis. In North America, the United States, Canada, Newfoundland, Mexico, Cuba, Haiti, and the Dominican Republic have negotiated a regional broadcasting agreement which undertakes to establish "frequency assignments to specified classes of stations in the broadcasting band on clear, regional, and local channels with a view to avoiding interference which, in this region, has caused great inconvenience to radio listeners."⁵¹ In 1937, the first Inter-American Radio Conference met at Havana under the auspices of the Pan American Union. Out of its discussions emerged an Inter-American Convention and an agreement to establish an Inter-American Radio Office (also at Havana). The purpose of the Office is to facilitate coöperation on technical and legal matters. The American countries, by joint regional action, are now engaged in an attempt to coördinate national policies with respect to allocations, interference, spurious emissions, the use and nonuse of air calling and distress frequencies, and the licensing of amateurs. Plans are also reported to be underway for the establishment of an international police radio system for the Americas.

Since 1927 the widespread development of international telephony has introduced another complex element into the multiform telecommunications picture. Leadership in this development has come from the far-flung private telephone system of the United States. The American Telegraph and Telephone Company has linked the Western hemisphere to the Eastern by transoceanic wireless telephony, while the International Telegraph and Telephone Company has acquired control of the wire telephone systems of several Latin-American countries. Elsewhere in the world both the telegraph and the telephone are state-owned and state-managed. Overseas radiotelephony represents the latest stage in the world's electrical communications system. By 1934, sixty-six intercontinental radio telephone circuits were in operation, with a total coverage of about 250,000 miles.⁵² By a combination of radio, submarine cables, and land wires, the United States by 1938

⁵⁰ The Washington Convention sets rules for the licensing of stations and the certification of operators by signatory governments.

⁵¹ *Fourth Annual Report of the Federal Communications Commission* (Washington, D. C., 1938), p. 8.

⁵² Killough, *op. cit.*, p. 251.

could converse with every continent and the major islands of the sea over seventy-four different telephone circuits.⁵³ From London, the world's main telephone switchboard, there are radiotelephonic contacts with all countries and direct wire service to every Continental capital. How important the telephone has become as an instrument of instantaneous communication may be gauged from the number of telephones now scattered over the earth. For the year 1937 the total exceeded 37,000,000, which was 5 per cent more than the previous peak reached in 1931. About half of the world's telephones are located in the United States, with Germany (3,400,000), Great Britain (2,800,000), France (1,480,000), Canada (1,250,000), and Japan (1,200,000), following next in order.⁵⁴

The world-wide development of radio, for telephonic as well as broadcasting purposes, made it desirable that the international regulations governing both wire and radio operations should be integrated, so far as possible, under a single agency. Such a step was taken in 1932 at the Madrid Conference of the Telegraphic Union. At that time the name of this organization was changed to the International Telecommunication Union, and a new comprehensive convention was drawn up. Its text embodies a revision and extension of the general provisions of the previous conventions. Annexed to the Madrid Convention are three sets of regulations—for telegraph, telephone, and radio respectively. It was agreed that any signatory state might adhere to one or more sets of regulations as it desired. Unwilling to accept international jurisdiction over its private telegraph and telephone systems, the United States has become a party only to the Convention proper and the general regulations covering radio. In creating the new Union, the Madrid Conference specified that the International Bureau at Berne, in addition to its other duties, should be charged with the work of preparing for each subsequent conference, as well as of providing technical advice and publishing a monthly review (*The Journal of Telecommunication*). An annual budget of 200,000 gold francs was voted to defray the expenses of the Union, signatory states contributing according to population and the extent of their official affiliation with the organization. The central office of the Union issues authoritative lists of telegraph, telephone, and cable offices, telegraphic and radio maps, and statistical data on telecommunications.

The ominous spread of national news censorship forced the conferees at Madrid to consider whether any practical step could be taken to curb

⁵³ According to the Federal Communications Commission, *op. cit.*, Appendix K. See the map on pages 184-185.

⁵⁴ Announcement by the A. T. and T., as quoted in the *World Almanac* (1939 ed.), p. 364. China, British India, and the Soviet Union, containing half the world's population, had only three-fourths as many telephones as New York City.

governmental interference with the flow of news. Under the terms of the revised convention, member governments retained the right to hold up news dispatches deemed dangerous to the safety of the state or in violation of law, but they must immediately notify the office of origin of their action. National governments also reserved the right to interrupt any private telephone communication which might appear dangerous to public safety, order, or decency.⁵⁵

Although the Madrid Convention made little change in the assignment of radio frequencies except to give more space to European long-wave broadcasting, the situation had greatly changed when the next Telecommunication Conference met at Cairo, Egypt, in 1938. By that time "the ever-increasing demands for additional radio frequencies due to a never-ceasing expansion of the mobile, fixed, and broadcasting services necessitated a further tightening of existing rules to make the most economical use possible of facilities at present available."⁵⁶ Accordingly, the Cairo Conference adopted a plan for radio channels for the world's seven main intercontinental air routes; widened the high frequency broadcast bands to a total of 300 kilocycles; fixed special bands for regional use in the tropics; extended the allocation table for the European region; and brought up to date the regulations relative to maritime and aeronautical services.

In addition to intergovernmental coöperation in the field of radio, an unofficial international organization of broadcasting companies is maintained in Europe. Known as the International Broadcasting Union, this agency acts as a technical clearing house. Among its various activities is the maintenance of an observation post at Brussels to hear and examine complaints against radio interference. At annual meetings this organization discusses such problems as the re-allocation of wave lengths, the rights of authors in broadcasts, the use of radio broadcasting in public catastrophes, and the development of educational facilities by radio.⁵⁷ An International Technical Consulting Committee on Radio was also set up by the Washington convention of 1927. The meetings of this committee serve as a medium for the interchange of opinions on means of furthering the scientific development of radio. Representatives of private broadcasting companies, such as the Radio Corporation of America, have collaborated in its work.

⁵⁵ During the German-Czech crisis of May 1938, it was reported that both German and Italian telephone officials refused to transmit calls from Paris for Prague. In order to reach the Czech capital, telephone messages had to be routed across Germany to Warsaw and then back to Prague, causing a delay of two hours or more—"one of the first instances of an obstruction of this kind between countries maintaining friendly diplomatic relations."—*The New York Times*, 23 May 1938.

⁵⁶ Federal Communications Commission, *op. cit.*, p. 9.

⁵⁷ The Prague plan for European radio channels was originally formulated by this organization.

While it is obvious that the radio, because of its peculiar technical nature, is more vulnerable than any other mode of modern communication to political interference, whether in peace or war, this fact has not prevented international broadcasting facilities from expanding at a remarkable rate. Since 1928, stations in the international frequency list, exclusive of ship, aircraft, amateur and portable stations, have increased in number from 1700 to well over 25,000. Despite the establishment of nationalistic controls over broadcasting subject matter throughout much of the world, the commercial and cultural importance of radio has impelled government officials, technicians, and private entrepreneurs to enter into coöperative arrangements which represent, not the ideal, but at least a practical minimum for the administration of a rapid, efficient, world-wide radio communication system. What with approximately 80,000,000 receiving sets now in operation over the earth, the number of potential radio listeners may be conservatively reckoned at between 300 and 500 million persons, or nearly a fourth of the total population of the globe.⁵⁸ Important transoceanic broadcasts by short wave are now relayed by national and local hookups so as to reach almost all of this enormous potential audience.

Since 1936, the news of practically every public event of more than national interest has been flashed around the world by radio—the death of King George V; the first message of his successor, Edward VIII, to the peoples of the British Empire, as well as his dramatic farewell to the throne 9 months later; the Olympic Games of 1936 in Berlin; President Roosevelt's second inaugural (1937); and the coronation ceremonies of King George VI. The last-named occasion was elaborately broadcast with commentaries in 30 different languages, on a hookup that covered 83 per cent of the world's potential listeners.⁵⁹ For the Olympic Games a 40-nation switch-board, with 100,000 connection plugs, was set up in the cellar of the main

⁵⁸ In 1938, the number of receiving sets in the six leading countries was estimated as follows:

	TOTAL	PER 1,000 POPULATION
United States	37,660,000	290
Germany	9,800,000	135
Great Britain	8,500,000	183
France	4,100,000	99
Soviet Union	3,760,000	21
Japan	3,400,000	48

After these countries came Canada, Argentina, Sweden, the Netherlands, Czechoslovakia, Belgium, and Australia, with around 1,000,000 sets each. (Statement by the Chief Statistician of the National Broadcasting Company before the Federal Communications Commission, as reported in *The New York Times*, 17 November 1938.) As yet there are probably only about 10,000,000 sets capable of receiving *short-wave* broadcasts *directly*, half of these being in the United States.

⁵⁹ For a detailed description of the broadcasting arrangements see the dispatches from London in *The New York Times*, 11-13 May 1937.

stadium during the 16 days of the Games. This enabled one announcer to talk with 200 stations in North America, while other announcers were speaking through 300 microphones in 28 languages to 32 other networks in 31 countries. In all, some 3000 commentaries were transmitted, 500 from German and 2500 from foreign broadcasting stations. An equally extensive coverage was provided for the broadcast of the exercises celebrating the sesquicentennial anniversary of the United States Congress in 1939. For this event, of great symbolic importance in the history of democratic institutions, 400 broadcasters in the United States and Canada, along with more than a dozen international short-wave transmitters, operated simultaneously. "Radio networks in France, Belgium, Sweden, and Switzerland intercepted the short-wave program from this country and rebroadcast it to numerous foreign listeners. President Roosevelt's speech was translated into Italian, German, French, Portuguese, and Spanish, and carried over short-wave stations at various hours during the afternoon and evening."⁶⁰

For several years now, the pressure politics of European dictators, at least in so far as its formal oratorical aspects are concerned, has had the world as earwitness.⁶¹ During the international crisis that preceded the Munich Accord of September 1938, the radio sensitivity of the international public was revealed as never before. Millions of listeners in both hemispheres hugged their radios for news dispatches from Prague, Berlin, Paris, London, and Munich. Over virtually twenty-four hour schedules, the leading broadcasting systems provided a rapid succession of dramatic news commentaries which kept people in the democratic countries in a state of extreme nervous tension for days. Never before had ordinary citizens felt such an intimate awareness of an international political crisis. As one observer then put it, "We now get our history by radiol!" So vivid was the impression left by the Munich episode that when, a few weeks later, an American radio entertainment program portrayed a fictitious invasion of New Jersey by inhabitants of Mars, adapted from a novel by H. G. Wells, thousands of listeners took the thing seriously and in a state of near-panic besieged their broadcasting stations for "confirmation." A year later, the dramatic news of the German-Polish crisis, culminating in another general European war, choked the air waves of every major broadcasting system for a fortnight.

The ramifications of telecommunication upon the world's life are now ubiquitous. It goes without saying that the operation of the great international press services of today vitally depends upon the constant use, not

⁶⁰ *Ibid.*, 5 March 1939.

⁶¹ "Millions of people in the United States have had the experience of hearing words spoken by Chancellor Hitler before they were heard by some of the party-comrades in Hitler's immediate audience—since electric signals travel across oceans before sound waves can reach the back of a large auditorium."—Staley, *op. cit.*, p. 18.

only of cable and land telegraph facilities, but also of the radiotelegraph and the transoceanic telephone. The existence of a double communications network frequently enables resourceful correspondents to circumvent the barriers of official censorship. News broadcasting has become a regular feature of every national radio system. Nowadays all the major systems maintain special foreign language divisions which are staffed by a corps of expert translators, interpreters, and announcers.⁶² Within the last few years, panel discussions of outstanding international problems, by radio commentators speaking from three or more different countries, have been arranged for the enlightenment of international audiences of Americans, Britons, and Canadians listening in from their home firesides oceans apart. Radiotelephony provides an instantaneous medium for carrying on commercial and financial transactions across water and land alike, tariff barriers and fortified boundaries to the contrary notwithstanding.⁶³ Largely made possible by the instrumentality of electrical communications, "fluid markets for securities result in an international crisscross of financial participation in the development of domestic corporate undertakings in the highly industrialized nations. . . . As foreign investments increase, demand for quicker and more dependable transportation and communication facilities increases. Consequently, improved transportation and communication and the spread of investments tend to march hand in hand."⁶⁴

The domain of education, science, and aesthetics has not escaped the impact of international radio. Concerts by such famous symphony orchestras as the New York Philharmonic may now be enjoyed by international audiences of many millions as a result of world-wide "hookups" arranged by broadcasting systems in America and Europe. The World Wide Broadcasting Foundation, with headquarters in Boston, was established a few years ago to provide international programs of an educational nature. During the Harvard Tercentenary Celebration of 1936, forty hours of lectures by an imposing cluster of the world's greatest scholars gathered at Cambridge were broadcast by this foundation to listeners in many countries. The sessions of an International Housing Conference held at the Massachusetts Institute of Technology in 1938 likewise reached Europe by short wave. In recent years, numerous organizations, such as the Carnegie

⁶² In 1938, the International Division of the National Broadcasting Company in New York employed a staff of thirty-five persons, each proficient in at least two languages.

⁶³ To cite just one illustration: One morning in July 1936, a six-minute radiotelephonic conversation between groups of bankers in New York and Stockholm closed a deal by which \$8,776,000 worth of foreign assets were transferred from the International Match Corporation to the Swedish Match Company. *The New York Times*, 14 July 1936. The longest call a New Yorker can make is to Sumatra, Dutch East Indies, a distance of 13,200 miles—three minutes for only \$30.75. It is now possible, however, to telephone oneself by a 23,000 mile round-the-world hookup.

⁶⁴ Killough, *op. cit.*, p. 252.

Endowment for International Peace, have held world-wide panel broadcasts, the participants speaking from their own countries by prearranged schedule.

Nor has the conduct of official diplomatic relations failed to be affected by telecommunications. Every national government employs cable and radio-telegraphy as a means of keeping in closer touch with its representatives abroad. The long-distance telephone provides a method of instantaneous verbal consultation between foreign diplomatic posts and national capitals. Ever since the famous transatlantic telephone conversations between Secretary of State Stimson and the British Foreign Minister, Sir John Simon, during the Sino-Japanese crisis of 1931-32, the long-distance telephone bill of the American State Department has been a substantial and growing item in its annual expenditure budget. So with the foreign offices of every major state. The imminence of war in Europe, following the German annexation of Bohemia and Moravia in March 1939, resulted in daily calls from Secretary Hull and President Roosevelt to Ambassador Bullitt in Paris and Ambassador Kennedy in London for up-to-the-minute consultation on the tense situation. The telephonic contact of official Washington with Europe became still more intensified during the hectic days preceding the actual outbreak of hostilities between Nazi Germany and Poland.

Like aviation, radio is an instrumentality that mankind may employ for contradictory purposes. As suggested in a later chapter, it may be used propagandistically to falsify facts, incite suspicion, or provoke hostility. At the same time, the potentialities of this new miracle of science for furthering popular education and mutual understanding and for strengthening the psychological foundations of peace stir the imagination. Although radio-broadcasting is scarcely more than a decade old, it has already made international politics a matter of daily interest to millions of people for whom the subject was previously remote. "The social aspects of such a new force in shaping public opinion can hardly be determined by the measuring rods of past decades before this age of speed."⁶⁵ It is indeed a tragic commentary on the existing political anarchy of the world that the constructive possibilities of international radio have as yet been little more than tapped. From 1932 until 1939 the League of Nations maintained its own wireless station (Radio-Nations) for official communication with governments in Europe by long-wave and governments overseas by short-wave. A weekly popular broadcast on the work of the League was also given. The proceedings of recent League Assembly meetings have been broadcast in English and Spanish. From the Inter-American Conferences held at Buenos Aires in 1936, and at Lima in 1938, the principal addresses went out over the air. Unfortunately, nationalistic censorship in the fascist countries militates against the use of radio in the interest of peace. By "jamming" the air and

⁶⁵ Lemmon, *op. cit.*

other devices, these noncoöperative states try to damage the reception of foreign programs by their populations. Though without complete success, such interference is frequently resorted to by the Nazi and fascist propaganda organizations. So long as the world is rent by such deep political cleavages as have marked the 1930's, the instrumentality of radio is not likely to contribute anything of importance to the organization of peaceful international relations. Indeed, by perverting the radio to aggressive propaganda, fascism has pursued a diametrically opposite course.

Regardless of war and rumors of war, the technology of telecommunication marches steadily ahead. Within the last decade industrial research has perfected the transmission of photographs by wireless. In 1939, the Western Union Telegraph Company announced the invention of a "practical method of sending photographs by cable. Within twenty minutes after the arrival of the "Yankee Clipper" at Southampton, England, a photographic impression of the event was ready for the printing presses in New York.⁶⁶ This method of pictorial transmission is not susceptible to the atmospheric disturbances that often mar radiophotograms. Another significant new development is facsimile transmission. While signatures and rare documents have been dispatched by wire for some years, it is now becoming possible to reproduce news bulletins by radio facsimile machines which may be plugged in at will. In December 1938, the *St. Louis Post Dispatch* began a facsimile newspaper broadcasting service. The day may arrive when the breakfast newspaper will be actually produced in the reader's own home. In Great Britain television is already in limited use, and in Germany, over certain telephone lines, one may see the person to whom he is talking. In the United States the first regular telecast was inaugurated when the image of President Roosevelt, delivering an address at the opening of the New York World's Fair of 1939, was made visible on commercial receiving sets within a radius of fifty-five miles from the Empire State Building. There seems little doubt that moving pictures will be televised before many years pass. After some further research, resulting in greater technical proficiency and reduced operating costs, transoceanic television is likely to become as common as present-day broadcasting. "Color television is already a laboratory accomplishment. It, too, may become practical before long. Developments have already been started in three-dimensional sight and sound and, if we consider past progress in this field, is it too much to expect that a future generation of Americans [as well as other nationalities] will be able to sit at their firesides and see reproduced before them in actual colors and in three dimensions, both visually and acoustically, scenes which are being instantaneously transmitted from the interior of some forest, accom-

⁶⁶ *The New York Times*, 5 April 1939.

panied with all the fragrant odors of nature, and eventually the addition of a vicarious, tactual sensation?"⁶⁷

Will the time come when men, irrespective of their physical dispersion over the earth, can actually hear, see, smell, and touch the achievements of the human mind and the beauties of nature around the globe without having to leave their own local habitats? In such a world, what place will there be for such concepts as political *isolationism*, national *self-sufficiency*, and competitive *militarism*? Or will the devotees of these vestiges of a bygone age, fortified by the awe-inspiring products of science and invention that they so tragically misuse, destroy the fabric of civilization ere the dream is realized? The race would seem to be between destructive nationalism on the one side and constructive internationalism on the other.

⁶⁷ *Technological Trends and National Policy* (Report by the National Resources Committee, Washington, D. C., June 1937), p. 229.

VIII

THE TRANSNATIONAL WORLD AT WORK

"Apart from politics, frontiers exist only for those who are incapable of soaring over them."—PAUL STEFAN, *Toscanini* (New York, 1936), p. 51.

THE MULTIPLICATION OF HUMAN CONTACTS

The international consequences of modern science and invention are manifold. "The result of science," recently observed President Ford of the University of Minnesota, "is to illustrate, emphasize, and increase the interdependence of men and nations. This revelation through science of interdependence and unity arises from the very nature of science itself. Science is not interested in individuals. . . . Every scientific law that is discovered is a new revelation of unity and draws nature into a new community life while it makes the world about us smaller as each new likeness is revealed. Invention, which is but an offspring of science, shares its character."¹

From the international standpoint, perhaps the most obvious effect of the dissemination of technology in the modern world has been to multiply the physical contacts of people across national frontiers. It stands to reason that the large-scale overseas emigration described in Chapter IV became practicable only with the application of steam power to oceanic transportation. By making the voyage across the Atlantic relatively cheap and quick, the steamship opened up the sparsely populated lands of the New World to millions of Europeans. From 1846 to 1932, fifty million emigrants left the old Continent for the United States, South America, and the British Dominions. Over half of the total number established permanent homes overseas, while the rest returned, sooner or later, to their native lands. Most of the permanent expatriates became naturalized citizens of non-European national communities and thereby contributed to the development of com-

¹ In "Science and Civilization" (Pamphlet No. 1, Day and Hours Series, University of Minnesota Press, 1933).

posite national cultures. For three generations America served as the "melting pot" of the Western world. Those emigrants who returned to Europe took back with them a considerable stock of new ideas and new habits which had no little effect upon cultural and economic development in such countries as Germany, Scandinavia, Italy, and Poland.

Although the stream of overseas emigration has, since the War of 1914-18, shrunk to insignificant proportions because of nationalistic barriers, *intra*-European emigration reached sizable dimensions during the first post-war decade. This overland emigration brought two millions of Polish, Italian, and Spanish workers to the depopulated areas of rural France. Checked by the economic depression of the early 1930's, this voluntary population shift across national lines has now virtually ceased. On a smaller scale, however, it has been supplemented by a forced migration of political refugees from all those countries torn by revolution or war since 1917. First from Bolshevik Russia and the Near East, next from Fascist Italy, and more recently from Nazi Germany, Austria, and Czechoslovakia, thousands of harassed *émigrés* have sought refuge in non-totalitarian countries, European or overseas, wherever they have managed to gain admission. In view of the fact that among these later-day emigrants are large numbers of intellectual, professional, and business people, it is probable that the social life of the receiving countries will be markedly affected, if not in most instances greatly enriched, by the influx. American science cannot help being benefited by the participation of Einstein in the Institute of Advanced Studies at Princeton, or American literature by the recent decision of Thomas Mann to become an American citizen. Today there is scarcely an important American, British, French, or Scandinavian university that has not admitted some German or Italian *émigré* to its faculty. A few years ago, in New York, a "University in Exile" was established as a haven for distinguished victims of fascist educational regimentation. Writers, artists, and scientists by the hundreds, drawn from the élite of German thought and art, are now being assimilated into democratic national societies, thus injecting new elements into the cultural stream of their adopted countries.

Although the effects of international travel for pleasure upon the psychology of international understanding may be debatable, the free movement of large numbers of people throughout the world is admittedly an important factor in extending familiarity with foreign lands, customs, and peoples. Despite the barriers of national and racial tradition, direct contact with other peoples increases the potentiality of appreciating their national qualities and understanding their individual peculiarities. For every American tourist who is irked by bad plumbing or the tipping system in Europe, another derives genuine enjoyment from the picturesque landscapes, quaint customs, bizarre cities, or art treasures of the countries he visits. At the very

least, world travel forces people to extend their mental horizons beyond the confines of their own national community.

On a large scale, international "tourism" is a product of the last seventy-five years. Not until the advent of railroad and steamship were conditions ripe for the development of organized tourist facilities. Thomas Cook and Sons, the first of the modern travel bureaus, began operations in 1841. Not until the 1880's, however, did this agency institute its famous "circular tours." These tours may be regarded as the prototype of the far-flung tourist system of today. International travel tickets gradually came into use, and by the turn of the last century world-wide banking arrangements produced the traveler's check and the letter of credit by which the tourist may conveniently secure funds in the currency of any country he visits without carrying large sums on his person. From this time on, travel bureaus multiplied at a rapid rate. In the later 1920's the Cook organization alone maintained 150 different offices throughout the world and had more than 3500 employees on its pay roll. Only slightly smaller are such tourist agencies as the American Express Company and the Canadian Pacific Railway. A few years ago as many as thirty different travel bureaus were conducting international tours on a regular commercial basis. Worldwide cruises are now available from steamship lines operating under British, French, Italian, German, Scandinavian, and American registry. Privately organized tours for study and pleasure are even more numerous. Within the past decade air travel has assumed international proportions. By 1938 commercial air routes connecting points in the United States with Canada, Latin-America, and the Orient aggregated 35,000 miles, equivalent to over half the total mileage of air transport service inside the country.²

On land the automobile has tremendously increased tourist traffic across national boundaries. Every year an endless stream of cars moves from the United States to Canada, and in lesser numbers, to Mexico. When the new Pan-American highway now under construction is completed, inter-American motor tourism can extend as far south as Chile and the Argentine. Intra-European motor traffic, despite the recurring inconvenience of customs formalities, passport controls, changing currencies, and "rules of the road," has steadily increased since the World War.

Other influences tending to encourage foreign travel include international hotel associations, automobile clubs, and sports organizations. Through the international division of the American Automobile Association, the American tourist who wishes to use his own car in Europe can have all arrangements made for securing a driver's and a motor vehicle license and

² "Air Commerce Bulletin," U. S. Department of Commerce (Washington, D. C., 1 July 1938). This total is corrected for duplications.

liability insurance which are valid throughout the area of travel, regardless of changes in national jurisdiction. The organized hotelkeepers have effected world-wide facilities by which accommodations down to the last detail can be reserved for foreign travelers.

So large has the volume of foreign travel become since the early 1920's that many governments have seen fit to set up official agencies for the promotion of tourist traffic. For a little country so situated as Switzerland, national economic prosperity actually rises and falls with the vicissitudes of the tourist business. Even for larger industrial nations, receipts from foreign tourists constitute a major item in their balance of payments with the outside world. Although complete statistics on the number of foreign tourists covering *all* countries do not exist, the influx of foreign tourists into France may be cited as an indication of the importance of the traffic. For 1926, a particularly favorable year, France played host to approximately 2,000,000 foreign visitors, chiefly from the following countries:³

Britain	761,000	Switzerland	400,000
Spain	415,000	United States	225,000

By 1932, fluctuating currency values and the world economic depression cut the annual foreign influx to a few hundred thousand persons, but within five years it had risen again to almost a million. The total number of foreign visitors to Great Britain has hovered about a half-million throughout the 1930's.

The graphs on page 196, prepared by the Economic Committee of the League of Nations, show the importance of tourist expenditures in the settlement of international trade balances.⁴ In the case of France, before the depression, income derived from tourist traffic was sufficient to make up to a large extent the deficit in its commodity trade balance. Contrariwise, the expenditures of American tourists during the later 1920's helped materially to reduce the adverse European trade balance with the United States. Even in 1938, a "depression" year, American tourists abroad spent approximately \$517,000,000, while foreign visitors to the United States bought goods and services in the amount of \$160,000,000. The net balance of \$357,000,000 paid for nearly 12 per cent of our merchandise exports.⁵

One of the curious aspects of the current economic policy of certain totalitarian countries has been the attempt to place increasing difficulties

³ Report issued by the *Office national du Tourisme*, as quoted in A. Thier^{ts}, *En Présence des problèmes nouveaux* (Paris, 1928), p. 173.

⁴ Adapted from a "Survey of Tourist Traffic Considered as an International Economic Factor," (*Ser. L. of N. Pubs.* 1936, II. B. 1.) See also F. W. Ogilvie, *The Tourist Movement* (London, 1933).

⁵ *The New York Times*, 23 July 1939.

TOURIST TRAFFIC OF THREE COUNTRIES

1927-1933

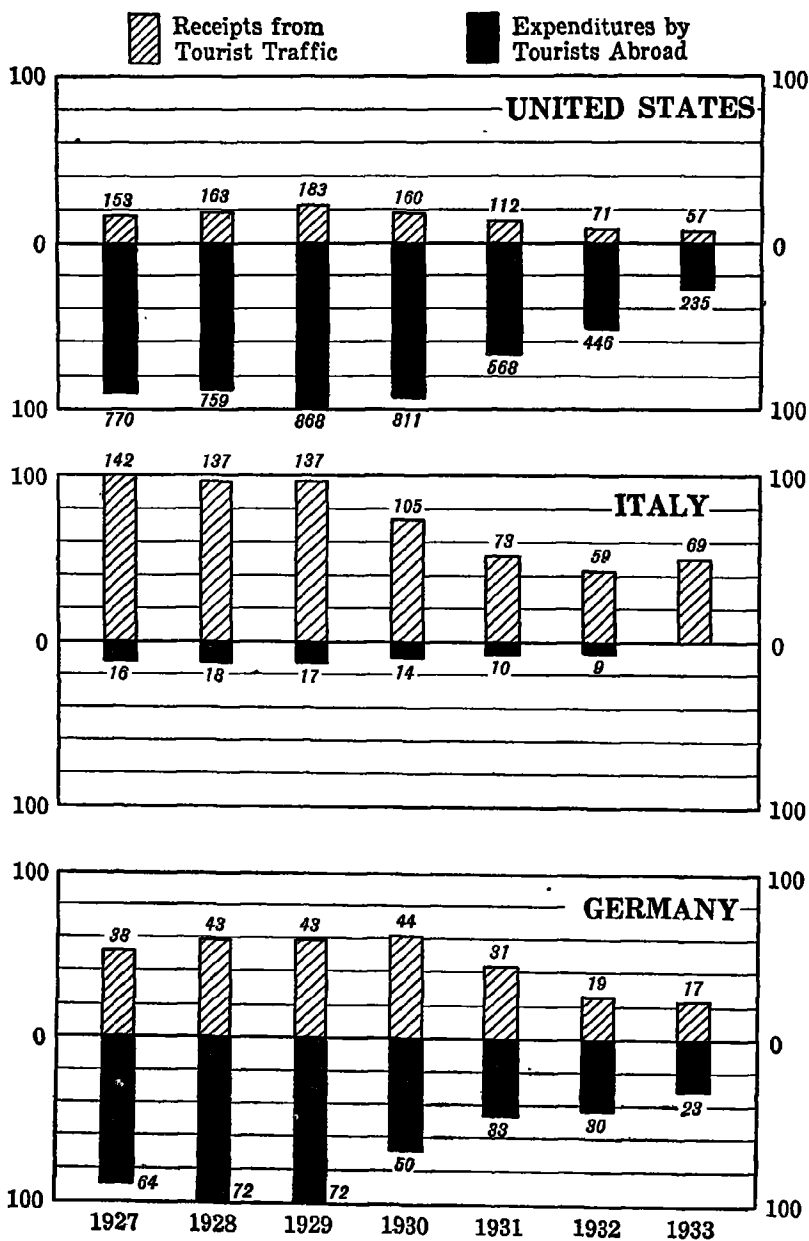


FIG. 16.—TOURIST TRAFFIC OF THREE COUNTRIES, 1927-1933.

in the way of foreign travel by their own citizens, while at the same time conducting vigorous campaigns to attract tourists to their own territory. Such countries, of which Germany and Italy are the most conspicuous examples, view the tourist traffic from a narrowly national standpoint. Their governments impose restrictions on the amount of money that may be taken out of the country and require every individual to secure official permission before he may visit other nations. Simultaneously, the tourist agencies of the home government make available to foreign travelers attractive reductions in railway and bus fares. Italy has offered "hospitality checks" providing sizable discounts from current hotel and gasoline prices. Under the ingenious fiscal management of Dr. Schacht, Nazi Germany has devised a special "tourist mark" which may be purchased by foreign visitors at 40 per cent less than the regular currency rate for travel expenditures, up to a specified maximum daily amount, inside Germany. The Intourist Agency of the Soviet Government prepares detailed arrangements for tours within the Soviet Union, including the provision of guides and interpreters. The failure (or refusal) to recognize the international character of tourist traffic constitutes "as serious a breach of economic good sense as to endeavor to export everything and to import nothing."⁶

Diversified facilities for transporting persons and goods from country to country, combined with convenient banking arrangements, have stimulated considerable numbers of people to take up indefinite residence abroad. Since the opening of the present century, colonies of permanent "expatriates" have steadily grown in size in leading metropolitan capitals and fashionable watering places. Long claiming the distinction of being the "intellectual and artistic crossroads" of the world, Paris has attracted the largest number of these expatriates, with London, New York, Shanghai, Tokyo, Rio de Janeiro, and Buenos Aires as close seconds. For the greater part, these foreign residents do not acquire citizenship in their "adopted" country. They live abroad for aesthetic or business reasons. At the same time, they seldom absorb the national mores of the country of residence, except in a superficial sense, nor do they care to assume political obligations toward the new state. A majority of these expatriates may not inaccurately be classified as "cosmopolites," that is, as people with no marked preference for any particular national community. Ordinarily, such people are financially able to live where they please. When life in one place becomes bore-some, they move on to another.

In 1929 the American Department of State estimated that 392,000 American citizens were then living permanently abroad. Five years later the number had increased to 429,000, distributed by countries as follows:

⁶ Ogilvie, *op. cit.*, p. 8.

Canada	248,000	Dominican Republic	10,000
Italy	26,500	United Kingdom	9,800
France	12,700	Irish Free State	6,300
Mexico	12,300		

Smaller quotas were scattered over the rest of the globe. During the German-Czech crisis of September 1938, Washington reported that there were 100,000 Americans in those European countries likely to be affected if war broke out, the majority consisting of permanent residents. In the leading South American countries, substantial groups of unnaturalized Germans and Italians are to be found whose influence upon local business, education, and politics has been peculiarly marked, especially since the advent of European fascism. According to a study made by the International Labor Office, unnaturalized residents abroad numbered close to 30,000,000 in 1930. By continents they were distributed as follows:

TABLE VIII
UNNATURALIZED ALIEN RESIDENTS ⁷

Area	Number	Per Cent of Total
North and South America	10,586,000	36.7
United States	6,285,000	
Argentina	2,828,000	
Asia	8,385,000	28.6
Europe	6,251,000	21.6
France	2,409,000	
Germany	757,000	
Africa	2,951,000	10.2
Oceania	696,000	2.9
TOTAL	28,869,000	100.0

Much more important as a factor in the development of cultural internationalism during the last generation has been the tremendous increase in the number of students and teachers studying abroad. Although in Europe it was fairly common before 1914 for university students to spend some time in a foreign university before completing their formal education, especially at the graduate or professional level, the last twenty years has witnessed a great multiplication of facilities for the interchange of students, professors, lecturers, and journalists.⁸ With the Rhodes Scholar-

⁷ "World Statistics of Aliens," International Labor Office, Series O (Migration), No. 6 (Geneva, 1936).

⁸ Predating this period, however, there were the Boxer Indemnity fellowships which, as a result of the action of the United States Government in turning back its share of the indemnity to China for this purpose, permitted hundreds of Chinese to study in American universities.

ships (inaugurated during the early 1900's) as a precedent, various private foundations, largely of American origin, have provided hundreds of fellowships for foreign study. In 1924, the John Simon Guggenheim Memorial Foundation initiated the annual award of foreign fellowships to American students and creative workers in order "to improve the quality of education and the practice of the arts and professions in the United States, to foster research, and to provide *for the cause of better international understanding*" (author's italics).⁹ A similar purpose underlay the establishment shortly after the War of the American Field Service Fellowships for study in French universities. During the middle 1920's the Rockefeller Foundation undertook its far-reaching program of fellowships and grants-in-aid, open to students and professors on both sides of the Atlantic, for advanced study and research all over the world.¹⁰ Another series of fellowships, set up at about the same time by the Carnegie Endowment for International Peace, had as its primary objective the improvement of teaching and research in international relations. Reversing in direction the academic "stream" set in motion by the Rhodes Trust, the Commonwealth Fund of New York has for over a decade annually awarded fellowships to British students for study in the United States.

Since the early 1920's, arrangements for international interchange of students and professors have been inaugurated by a considerable number of American and European universities. In Europe, and more recently in South America, official encouragement in this movement has come from state funds. Nearly every European government now maintains some sort of subsidy plan by which varying quotas of university students and teachers are chosen for extended periods of study in foreign countries.¹¹ In line with the Roosevelt-Hull "Good Neighbor" policy, the American delegation at the 1936 Inter-American Conference at Buenos Aires succeeded in securing the adoption of an agreement whereby every American republic is to finance annually a year of study in each of the other American countries for two students and one professor from among its own nationals.

Despite the vicissitudes of *official* international relations since 1920, the number and variety of traveling fellowships has steadily increased. According to the Director of the Institute of International Education in New

⁹ Quoted from the official announcement of these fellowships.

¹⁰ Financed by Rockefeller grants, the fellowships open to Americans have been administered chiefly by three national scientific associations—the National Research Council, the Social Science Research Council, and the American Council of Learned Societies. The Rockefeller Foundation itself has directly handled the fellowships available to European and British Dominion students for study in the United States.

¹¹ It should be noted, however, that, at least in the case of Fascist Italy and Nazi Germany, the purpose of these subsidies is fully as much to further the cause of nationalistic propaganda as to give the individual student the benefit of foreign cultural contacts.

York, the organization that administers most of the student exchange arrangements between America and Europe, 3717 grants were made for foreign study during the period 1922-1938, allocated as follows:¹²

For American students abroad	2,079
For foreign students in the United States	1,638

The American students went to twelve different European and two Latin-American countries, while the foreigners who came to the United States included seventeen European and fourteen Latin-American nationalities, in addition to Japanese, Chinese, Turkish, and Iraqi. Since 1915, the Rockefeller Foundation has granted traveling fellowships to 6266 individuals from seventy-four countries. During the single year 1938 it supported 592 fellowships ranging over the fields of public health, medical science, natural science, social science, and the humanities.¹³ Taking into account other available fellowships and research grants, awards for foreign study in and out of the United States over the past quarter-century must have aggregated close to 12,000 in number.

International study, however, is not limited to persons receiving financial subsidies. The foreign student colony in such great university centers as Paris, London, Rome, and Berlin has grown to many thousands during the first decade after the War of 1914-18, although, since 1930, unfavorable economic and political conditions have considerably reduced the total. In 1929, a peak year, almost 10,000 foreigners were enrolled in American colleges and universities, while American students abroad numbered at least half that total. In Europe, special summer schools increased from 104 in twelve countries, for that year, to 148 in seventeen countries for the year 1938.¹⁴ Some years ago the need of special arrangements for quartering foreign students led an American donor to provide funds for the establishment of "International Houses" at Columbia University, the University of Chicago, and the University of California at Berkeley. A more extensive undertaking of this character is the beautiful *Cité Universitaire* in Paris, toward the construction of which the generosity of many groups, foreign as well as French, has contributed.

Along with the international exchange of university students and scientific investigators, arrangements for foreign lectures by professors and men of affairs have grown rapidly since the World War. Between certain American and European universities, such as Harvard and Cambridge, regular exchange professorships exist. Since its establishment nearly twenty

¹² *Nineteenth Annual Report* (New York, 15 October 1938), p. 55.

¹³ R. B. Fosdick, "The Rockefeller Foundation: A Review for 1938" (New York, 1939), p. 62.

¹⁴ For a general survey of international educational facilities, as of 1930, see J. E. Harley, *International Understanding* (Palo Alto, Calif., 1931).

years ago, the Institute of International Education has maintained a service whereby visiting professors from Europe are made available to American educational institutions. In all, 245 foreign scholars and men of affairs have been circuited among 1732 colleges, universities, and civic organizations, many of them located in small provincial communities far removed from the Eastern seaboard. Commercial agencies by the score schedule popular lecture tours in the United States for a continuous stream of European journalists, writers, artists, and free-lance publicists—what with the insatiable curiosity of the American public for foreign celebrities and its willingness to pay the fat fees expected by such European visitors. On a more modest scale, a similar flow of lecturers from country to country goes on in western Europe.

The field of entertainment contributes its full share to the growth of international contacts. Not only large numbers of individual performers (pianists, vocalists, actors, dancers, and the like) of greater or lesser reputation, but symphony orchestras, jazz bands, theatrical and operatic companies, and vaudeville troupes go on international circuit. The roster of any great American symphony orchestra contains names from a dozen or more different nationalities, while the more renowned conductors, like Toscanini and Stokowski, are chiefly of foreign background. So it is with the leading "stars" of the Metropolitan Opera. Not a season passes but that the London and New York stage provides the debut for overseas dramatic artists. Hollywood has become a world-famous mecca for thousands of actual and would-be screen artists from all parts of the globe. Every English-speaking land has enjoyed the rollicking lyrics of Gilbert and Sullivan as rendered by the famous D'Oyly Carte Company of London. American "jazz," in the successive stages of its development, has exported innumerable traveling orchestras to the night clubs of Europe, South America, and the Orient. Exotic South American and Oriental dance patterns penetrate the haunts of pleasure-seeking northerners on both sides of the Atlantic.¹⁵

Internationalism has also invaded the domain of athletics. Such a game as tennis, of French (or possibly Spanish) origin, is now played the world over. Since 1900, except for the World War years, the Davis Cup matches have annually provided an organized international competition open to teams from all countries. National championships, whether at Wimbledon, Forest Hills, or Paris, are frequently won by foreign participants.¹⁶ In such

¹⁵ Apparently not even the ironclad barriers of Nazi nationalism can keep German life free from "contamination" by "undesirable" foreign customs. At any rate, so it was recently reported, the "Lambeth Walk" had attained such popularity in Berlin as to provoke denunciation by a Nazi storm troop publication as "Jewish mischief and animalistic hopping"!—*The New York Times*, 8 January 1939.

¹⁶ During the last twenty years (1918-38), the American tennis "crown" has been captured thrice by Frenchmen (Lacoste and Cochet) and an equal number of times by a single Englishman (Perry).

sports as golf, soccer, and hockey, matches between teams of two different countries have become regular features each playing season. American baseball has invaded Japan; American basketball, Europe and the Near East. Since 1896, when the ancient Olympic games were revived in modern dress, teams of athletes from all parts of the world have competed every four years in what has become the outstanding international sports tournament of the modern world.

ORGANIZED "NON-POLITICAL" INTERNATIONALISM

The internationalization of human activity is further revealed by the impressive number of international organizations in which scientists, educators, artists, business men, professional and industrial workers, and social reformers coöperate. Since the middle of the nineteenth century, the "horizontal" institutionalizing of life across the "vertical" barriers of nationalism has expanded at a rapid rate. During the hundred years ending in 1914, it has been estimated that over 700 international congresses took place, their fields of interests ranging from the promotion of race hygiene to the suppression of duelling! Following the World War, this "non-political" internationalism multiplied by leaps and bounds. During the single decade 1920-30, over 1800 meetings of unofficial international organizations were held. The *Handbook of International Organizations*, published by the League of Nations at frequent intervals since 1922, classifies current international organizations according to the following fields of activity:

Pacifism and International Politics	Press
Humanism, Religion, and Morals	Feminism
Arts and Sciences	Sports and Tourism
Law and Administration	Agriculture
Medicine and Hygiene	Labor
Education	Economics and Finance
Universities, Student Movements, and Libraries	Trade and Industry
	Miscellaneous

Although this classification includes public as well as private groups, all but forty or fifty of them fall substantially in the latter category. Space will permit the listing of only a few representative types of these organizations.¹⁷

¹⁷ The data on membership are taken from *A Directory of International Organizations in the Field of Public Administration* (Brussels, 1936). This compilation, which covers only those organizations of special interest to students of public affairs, includes 205 different groups, their secretariats being geographically distributed as follows: (continued on next page)

NAME OF ORGANIZATION	MEMBERSHIP	INTERNATIONAL HEADQUARTERS
League of Red Cross Societies	61 national Red Cross Societies	Paris
World Alliance of Y.M.C.A.'s	34 national Y.M.C.A.'s	Geneva
Boy Scouts' International Bureau	52 national associations in 47 countries	London
International Child Welfare Association	56 national organizations and institutions	Brussels
International Union of Local Authorities	28 national unions representing 53,500 municipalities	Brussels
International Federation of University Women	34 national associations	London
International Federation for the Rights of Men and of Citizens	13 national civil liberty associations (democratic countries only)	Paris
International Federation of Journalists	24 national associations of journalists, along with 8 foreign press associations	Paris
International Federation of Library Associations	34 national associations in 25 countries	Geneva
International Chamber of Commerce	34 national committees with over 965 organization members representing 1,500,000 businessmen throughout the world	Paris
International Federation of Trade Unions	28 national trade-union organizations with 8,000,000 members (in 1936)	Paris
International Federation of Housing and Town Planning	35 national and regional societies plus 50 public housing authorities	London
International Coöperative Alliance	143 national and regional coöperatives in 41 countries	London
International Union against Cancer	88 representatives of 45 national organizations	Paris
World Federation of Education Associations	18 national and regional associations of teachers and school administrators	Washington

Paris	57	Geneva	25 ^a
London	30	Berne	12
Brussels	29	Others	52

In all, about 700 unofficial international associations are said to be in existence at the present time. See Lyman C. White, *The Structure of Private International Organizations* (Philadelphia, 1933).

NAME OF ORGANIZATION	MEMBERSHIP	INTERNATIONAL HEADQUARTERS
International Student Service	15 to 24 trustees, plus various national committees	Geneva
International Institute of Public Law	66 scholars chosen by election from the field of public law in 28 countries	Paris
World Association for Adult Education	130 organizations and institutions in 20 countries	London

Without including the field of communications, this brief list should convey some idea, however incomplete, of the ramifications of unofficial internationalism. As will be observed, the membership of many of these international groups does not, of course, include all countries. Some are largely intra-European; others are confined to those countries where free cultural, professional, and labor activity is still allowed. It should also be noted that the composition of certain organizations has a "semi-official," or "mixed," character, in that both private groups and public agencies are included in their membership. Still another type is the organization that brings together functional groupings of public employees from a number of countries.

Since the rise of labor radicalism in the Western world, a profusion of international labor organizations has appeared on the scene. Beginning with the First International of 1864, the socialist movement has tried more than once to "unify the proletariat" on a transnational basis. Although these efforts have suffered many vicissitudes, and today there is perhaps less international labor solidarity than a century ago, the dream of ultimate unity has not been abandoned. The First Socialist International, which broke up in 1876, was succeeded by the Second International thirteen years later. Somewhat obscured by this grandiose organization, trade-unionism managed at the same time to establish international trade secretariats which, by the outbreak of the World War, covered the entire field of industry. Still "wider in scope was the International Secretariat of National Trade Union Centers. As its name indicates, its purpose was to bring together the national trade-union centers of different countries for the consideration of common problems."¹⁸ Suspicion and misunderstanding combined to hold the A. F. of L. aloof from the European labor movement until well into the present century. By 1910, however, the A. F. of L. had adhered to

¹⁸ Lewis L. Lorwin, *Labor and Internationalism* (New York, 1929), p. 100. This book ranks as the authoritative history of labor internationalism down to the period of the recent world depression.

the International Trade-Union Secretariat, while several important American trade-unions were affiliated with international trade secretariats in their respective fields.

The Great War of 1914-18 tragically disrupted progress toward international labor solidarity. Before the demands of "crisis" patriotism, socialist opposition to "imperialistic" war gave way and European labor groups, with few dissenting voices, supported their national governments in the prosecution of the War. The Second International collapsed, as did most of the trade-union secretariats. Before the War ended, however, a resurgence of labor activity took place in most of the warring countries and many of the prewar internationals were reconstructed. But any hope there may have been for establishing international labor unity anew was shattered by the Bolshevik Revolution and the creation, two years later, of the Third (Marxist) International by Lenin and Trotsky. "Bolshevism caused a wide rift in the labor and socialist movement of the world. The pre-War lines of division were redrawn in new and sharper forms and combinations around the new issue of 'democracy versus dictatorship.'" ¹⁹ The postwar sweep of revolutionary unrest over central Europe had contradictory effects. On the one hand, it gave a tremendous impetus to labor action in politics; on the other, it tended to split national labor movements into bitterly hostile factions, illustrated, notably, by the division of the French Socialist party and C.G.T. into two mutually suspicious camps. On the international front, the Second Socialist International was revived in 1919, while a new and enlarged International Federation of Trade Unions emerged later that year from the Amsterdam Congress. The leaders of this "Amsterdam" International, representing over twenty-three million trade-unionists in twenty-two countries, played a prominent part in the formation of the *official* International Labor Organization as a part of the Versailles Peace Settlement.²⁰ By 1921, on the left flank of socialism, disillusionment with the turn events were taking in Soviet Russia provoked certain socialist groups to withdraw from the Third International and to form an international organization of their own. The latter became known popularly as the "Two-and-a-Half" International "because of its intermediate position between the Second and Third Internationals." In the trade-union camp, even the Amsterdam Federation was too much tinged with socialistic "radicalism" to suit Samuel Gompers and the A. F. of L. This and other factors, among which American rejection of the Treaty of Versailles and

¹⁹ *Ibid.*, p. 165.

²⁰ The structure and functions of the Geneva I. L. O. are considered in connection with the struggle to organize world peace. See pp. 516-525, *infra*.

the League was not unimportant, finally produced an open breach between the A. F. of L. and its European confrères—a breach that has only recently been partially healed.

Throughout the 1920's, the international labor movement suffered from a fratricidal strife which could not help but weaken its influence. The struggle for control between the "Amsterdam" trade-unionists, the A. F. of L. and its satellites, the moderate socialists of Europe, and the Comintern continued unabated. During the 1930's, the double impact of world depression and the spread of fascism had divergent repercussions. On the one side, in such countries as France and Spain, the breach between the moderates and the communists was sufficiently healed, at least temporarily, to make possible the formation of national "popular fronts" against fascism, without, however, bringing the Second and Third Internationals together. In "New Deal" America the C.I.O.-A. F. of L. split tore the labor movement apart, while in Britain a halfhearted attempt to effect a "united front" of labor parties was balked by a timid trade-union leadership. In those regions dominated by fascist ideology, *free* trade-unionism ceased to exist. The workers of such countries, among which Franco's Spain must now be counted, are no longer represented in the international labor movement. After the collapse of the Popular Front in France, the French labor movement was forced to live a subdued life.

From the international standpoint, the most hopeful sign at present is the increasingly effective coöperation of democratic labor groups through the instrumentality of the I.L.O. From 1934 until 1939 this official body was greatly strengthened by the entry into its fold of the Soviet Union and the United States of America. Despite sharp differences in philosophy and outlook, the Soviet and American labor movements demonstrated their ability to work together for the advancement of labor standards by international agreement. Since 1936, the International Federation of Trade Unions appears to have taken a new lease on life. Some thirty functional groups, typified by the International Federations of Miners and Transport Workers and having an aggregate membership of many millions, are helping to keep alive the dream of trade-union solidarity across national lines. At the present juncture, of course, the labor world reflects the bitter conflict between nationalism and internationalism that rages over the earth. Such solidarity as labor shows is restricted geographically and economically by the irreconcilable social ideologies of our time. Organized labor has become a force to be reckoned with in world affairs, but until the menace of frenzied nationalism is conquered, any constructive rôle which labor may try to play in international politics is likely to be undermined by dissension within its ranks.

In somewhat less closely knit fashion, businessmen have organized

international associations for various purposes. The International Chamber of Commerce, founded in 1919, carries on propagandist and educational activity having to do with monetary and commercial policy. Through special committees and biennial congresses, this organization has encouraged coöperation on a multitude of technical matters: bills of lading, air transport, industrial statistics, protection of industrial property, double taxation, the status of foreign trade corporations, and the like. It has frequently voiced its vigorous opposition to excessive barriers in international trade. For the settlement of international business disputes, it maintains an official "court of arbitration." Originating in America, such "service" clubs as Rotary and Kiwanis have attained international proportions.²¹

Among intellectuals, organized international coöperation, though not untouched by the cultural ravages of totalitarianism, has made marked progress since the World War. In addition to the activity of scientists and educators organized internationally by separate professional fields, there are notable instances of coöperative effort involving related branches of knowledge. World congresses in which the representatives of many scientific organizations participate have become commonplace features of contemporary international life.²²

A desire to promote international coöperation in scientific research led to the establishment in 1919 of an International Council of Scientific Unions (formerly known as the International Research Council). This Council, with headquarters in London, acts as a planning and coördinating agency for some forty national scientific societies, along with seven affiliated international organizations in the fields of astronomy, geophysics, chemistry, physics, radio telegraphy, geography, and biology. The work of this Council (and its affiliated groups) is supported by private dues and gifts, as well as by governmental contributions.²³

²¹ In 1937, a Frenchman became the first non-American president of Rotary International on the nomination of a German delegate. Some months later, Chancellor Hitler, ironically enough, issued a decree forbidding German businessmen to participate in Rotary—a petty example of the unsuspected ramifications of Nazi "autarchism"!

²² Such, for instance, was the International Congress of Science which met in conjunction with the Paris Exhibition of 1937; similarly, the International Congress of Elementary Teaching and Popular Education held that same summer in the French capital. In recent years considerable numbers of scientists from Britain and the United States have declined invitations to take part in university celebrations organized by the German Nazi government because of its suppression of academic freedom. Professor P. W. Bridgman, an eminent physicist at Harvard, startled the scientific world by declaring his intention to close his research laboratory to visitors from states that "do not recognize the free cultivation of scientific knowledge for its own sake as a worthy end of human endeavor."—*The New York Times*, 14 February 1939. A poll of the American Physics Society, taken shortly thereafter, indicated that while the members overwhelmingly disapproved of the Nazi attitude toward scientific inquiry, few of them favored barring American laboratories to visiting German scientists. *Ibid.*, 5 April 1939.

²³ Since 1935, the American government, by Congressional authorization, has appropriated annually over \$6000 for this purpose. For details see the Hearings before the Subcom-

The requirements of international scientific and industrial research have also resulted in the establishment of a number of wholly *official* administrative agencies. Of these, the International Bureau of Weights and Measures, created by thirty-two government signatories of the Metric Convention of 1875, is one of the most significant. The purpose of this Bureau, located at Sèvres, France, is to establish and preserve original standards of weights and measures and compare national standards with the originals, "in order to assure international uniformity and comparability in all the services involving such measurements. . . . The Bureau has also engaged in important researches in thermometric scales, low temperatures, mass of water, interchangeability of parts of industrial machinery, and various problems in geodesy and geophysics. The Bureau holds a general conference every six years, while its governing committee meets biennially."²⁴ The Central Bureau for the International Map of the World, dating from 1913, is another example of official international coöperation on a technical problem of obvious importance to geographic science and navigation. The International Hydrographic Bureau, located at Monte Carlo and supported by seventeen maritime states, engages in map-making, research, and standardization activities pertaining especially to the sea.

Among intergovernmental efforts to facilitate international coöperation in the domain of science and education, the Intellectual Coöperation Organization of the League of Nations has easily the most far-reaching possibilities. Established in 1920 by the Assembly of the League, this organization operates through four principal instrumentalities: (1) the Intellectual Coöperation section of the League Secretariat at Geneva; (2) an International Committee on Intellectual Coöperation, consisting of eminent scientists appointed by the League Council, together with national committees in forty-five countries; (3) an Institute, with headquarters in Paris, which acts as the executive organ for the International Committee and forms the secretariat of various international centers, including an International Museums Office, a University Information Center, etc.; and (4) until 1938, the International Educational Cinematographic Institute at Rome. For the study of special problems, permanent committees of experts are created by the general committee. Among the problems studied are the following:

Conditions of intellectual life in various countries,
Methods of making library and archival facilities more useful to scholars
the world over,

mittee of the Committee on Appropriations on the Department of State Appropriation Bill, H. of Rep., 75th Cong., 3rd Sess. (Washington, D. C., 1939), p. 210.

²⁴ Brussels *Directory* (previously cited), p. 31.

Ways of strengthening the rights of authors (copyrights, royalties, and so on), and

Assistance to intellectuals in distressed countries.

The Institute's Committee on Arts and Letters has organized and published open "conversations" "between eminent representatives of world thought on questions of direct interest to the future of human culture in existing world conditions."²⁵ The publication of an international repertory of translations, covering philosophy, religion, law, social science, education, pure science, history, geography, literature, and art, in fifteen leading countries, was begun in 1932. The Committee for Folk Arts has sponsored congresses for the furtherance of folk art and folk music. The organization has also been successful in securing international agreements for the protection of national artistic and historical possessions, as well as monuments and works of art, in time of war.

In the field of education, representatives of institutions of higher learning have been brought together for the discussion of common problems, while efforts have been made to establish close liaison between international student associations. Since 1928, a series of conferences devoted to the scientific study of international relations has been sponsored by the Institute of Intellectual Coöperation. The published results of these discussions form a not unimportant contribution to an understanding of national viewpoints relative to such questions as "collective security" and "peaceful change." Rather belatedly, about 1933, the Institute began to give attention to the educational and psychological factors in the problem of peace. Its efforts in this direction, the vital potentialities of which will be considered in the concluding section of this book, have thus far been largely nullified by the counterforce of nationalistic regimentation.²⁶

During the last sixty years many humanitarian problems have become of official international concern. Prior to the World War, by formal treaty agreement, several public international agencies were set up to deal with the world-wide aspects of social welfare. Among such agencies were the International Penal and Prison Commission, dating from 1878; the International Labor Office, established at Basel in 1900 and later replaced by the International Labor Organization of Geneva; the International Office of Public Health, set up in 1907 and still functioning, though now subsidiary to the Health Organization of the League of Nations; and the International Opium Commission of 1909, which may be regarded as a forerunner of the much more extensive campaign carried on by the League Opium Organization against illicit traffic in narcotic drugs.

²⁵ *Essential Facts about the League of Nations* (Information Section, Geneva, 1938 ed.), p. 256.

²⁶ See pp. 742-748, *infra*.

Largely by reason of the organized efforts of the League, international coöperation on social and humanitarian matters has grown apace during the last two decades. A cluster of technical and advisory committees, councils, boards, and offices have developed semiautonomously around the central political organs of the League.²⁷ In 1926 the League secured the adoption of an international convention for the suppression of the slave trade and forced labor in colonial territories. Through its Advisory Committee on Social Questions, relatively ineffective efforts initiated before the War to stamp out the international traffic in women and children for immoral purposes have been supplemented by much stronger regulatory and punitive measures. As a result, hundreds of "brothels" have been closed in Far Eastern seaports and real progress is being made toward the eventual abolition of the nefarious "white slave" trade. Other phases of the humanitarian activity of the League include an attempt to check the international circulation of obscene publications and to induce backward states to reform their penal administrations. Extensive inquiries on child welfare have been undertaken with a view to improving the standards of national legislation (a) for vocational training and (b) for the protection of illegitimate, neglected, delinquent, and alien children. To facilitate this educational and research work, a permanent Child Welfare Information Center was established at Geneva in 1935. While economic conditions in recent years have not favored rapid progress in this field, not to mention the retrogressive tendencies of fascist legislation with respect to child welfare, a better understanding of the problem in its world-wide aspects is resulting from the League's inquiries.

The most moving manifestation of international humanitarianism since the World War has been the effort to care for innocent victims of war and revolution. As early as 1920, the League enlisted the services of Dr. Fridtjof Nansen, the famous Norwegian explorer, as High Commissioner for the repatriation of hundreds of thousands of Russian, Assyrian, Armenian, and Greek refugees. Under his skilful direction, over 400,000 war prisoners from twenty-six countries were returned to their homelands, while 1,500,000 White Russian exiles received aid and legal protection in their struggle to start life afresh in foreign lands. In addition, some 750,000 Greek refugees from Turkey were "settled" in their homeland as a result of an agreement between those two states to exchange "minority" populations. After Dr. Nansen's death in 1930, this organized refugee work was turned over by the League to a semi-autonomous organization known as the

²⁷ By 1932 as many as seventy-five were in operation. See Felix Morley, *The Society of Nations* (Washington, D. C., 1932), chap. VII, for an excellent interpretation of this "non-political" side of the League system, in which the United States and other nonmember states have coöperated. A factual description is given in *Essential Facts* (1938 ed.), Parts V-VI.

Nansen International Office for Refugees, which remained under the League's general supervision. This office has devised a special Nansen passport for "stateless" refugees and helped them to find new homes and employment. The advent of Nazism has created a new refugee problem of far-reaching proportions. To aid Jewish and other refugees from Germany, as well as, later, from Austria and Czechoslovakia, the League set up in 1933 a second refugee organization under a special High Commissioner, the Soviet Union having opposed "prolongation of the life of the Nansen Office because its personnel included Russian refugees suspected of anti-Soviet activities."²⁸ The presence in the League of "actual or potential refugee-producing countries" handicapped its efforts to deal with the new problem. Over Soviet objection, however, "the League Council in May, 1938 finally approved a draft plan for continuation of this work, by amalgamation of the two League refugee organizations under a single High Commissioner."²⁹

Meanwhile, in March, the United States government invited twenty American republics and nine European countries to coöperate with it in setting up a special intergovernmental committee to facilitate the emigration of German and Austrian refugees. A conference held at Evian, France, arranged for such a Committee, the direction of which was conferred upon an American citizen, Mr. George Rublee. Although the American government agreed to admit a slightly larger quota of German immigrants than it was then receiving, none of the sparsely settled countries outside Europe has to date been willing to let down the barriers to any substantial influx of refugees, not even in their colonial possessions. The cost of financing transportation is, of course, enormous, most of the burden falling upon private philanthropic organizations. In such a fiercely nationalistic world as that of today, the prospects of resettling the victims of Nazi persecution are none too bright. Full success in caring for the uprooted humanity from central Europe may have to await the relaxation of trade and migration barriers by the democratic nations.

The common concern of humanity for the victims of physical disaster led the League to sponsor the establishment, in 1932, of an International Relief Union. Supported financially by thirty states, this organization maintains a central office at Geneva, in collaboration with the International Red Cross. Its object is "to render first aid to populations that have suffered from some natural calamity (e.g., flood or earthquake) of such gravity that it cannot be dealt with solely by the resources of the country concerned."³⁰

²⁸ See D. H. Popper, "International Aid to German Refugees," *Foreign Policy Report*, 1 November 1938.

²⁹ *Ibid.*, p. 190.

³⁰ *Essential Facts* (1938 ed.), p. 296.

The most conspicuously successful phase of international coöperation for social welfare has been in the field of public health. No social problem better illustrates the enlargement of the area of governmental control. As late as a century ago, health was a matter of purely local concern. Gradually, as society became mobile over large land areas and urban life took on its modern form, provincial and national governments began to interest themselves in measures to prevent the spread of disease, to provide more healthful living conditions for their populations, and to improve medical and hospital service. By the end of the nineteenth century, the campaign against disease reached the international level. However, this early international collaboration was restricted to relatively ineffective measures against a few of the more serious contagious diseases. It required the catastrophe of 1914-18 to dramatize the ease with which communicable disease and the effects of bad medicine and diet may spread from country to country. Indeed, the great influenza epidemic of 1917-18 swept across both hemispheres before it was finally brought under control. "As a result of military operations in the Great War, almost the whole population from eastern Poland had been driven over the frontiers into Russia. In 1921 the peasants started to return to Poland. . . . At this time a very severe disease, known as typhus fever, was raging in Russia. . . . Typhus fever is carried by lice, and the return of the Polish peasants in their masses threatened to create a European catastrophe, once the lice in Roumania and Poland became thoroughly infected with typhus fever."⁸¹ In order to check this westward onrush of typhus, it was necessary to coördinate the efforts of various states bordering on Russia. One of the first acts of the newly born League of Nations was to set up an Epidemic Commission, which succeeded in organizing a cordon of disinfecting posts across the center of Europe. The epidemic was halted and Western Europe saved from what might have proved to be almost as great a human disaster as the War itself.

The success of this coöperative undertaking paved the way for the creation of a permanent Health Organization in accordance with Article 23 of the League Covenant. This article obligates the member states "to take steps in matters of international concern for the prevention and control of disease." An International Health Conference, sponsored by the League, met at London in 1920 and drew up a draft constitution for a permanent health organization. Formally authorized by resolution of the League Council and Assembly, the new health machine began operation in 1923. It consists of three main parts: (a) a General Advisory Health Council, (b) a Standing Health Committee, and (c) the Health Section of the League Secretariat. The first two bodies operate in an advisory and policy-forming

⁸¹ M. D. Mackenzie, "World Coöperation in Health," in *Geneva and the Drift to War* (Problems of Peace, Twelfth Series, London, 1938), p. 78.

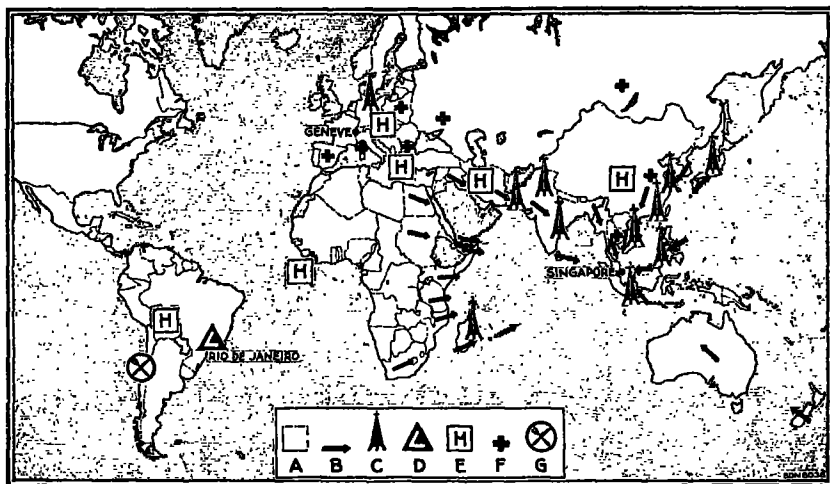
capacity, while the third serves as their executive organ. For the most part the members of the Health Council and Standing Committee do not represent governments as such, but are selected for their technical competence in public health work. This flexible arrangement has facilitated the cooperation of those countries, like the United States, which have remained outside the League proper.³² Whatever might be the orientation of its general foreign policy, even the United States realized that "there can be no policy of 'splendid isolation' from plague rats, yellow fever, mosquitoes, or cholera-infected water." In the interdependent world of today, with people and foodstuffs moving in large quantities across national boundaries, no protective program in health can be any stronger than its weakest national link.

It is on this assumption that the health work of the League has been built up. Without encroaching upon the legal prerogative of individual states to handle their health problems as they see fit, it has been possible, through conference, education, research, and publicity, to effect interstate collaboration on those aspects of health with which, as a practical matter, states cannot individually cope. Concretely, the methods used by the League Health Organization fall under four headings. First, through special commissions composed of experts and working in conjunction with national research institutes from various countries, the quality of medical research has been improved and the results pooled for international use. One of the first of these commissions was on the problem of malaria control. As a result of its studies of the best existing methods of control, governments in Africa and the Far East were induced to strengthen their antimalaria legislation and new courses on malariology were organized in various centers. The sleeping sickness and leprosy commissions have aided materially in the establishment of better techniques of dealing with these two dread diseases. For some years, the cancer commission has been conducting a series of investigations by which it is hoped to determine which method of treatment, X ray or radium, is best for the different stages of the disease. Similar inquiries have been undertaken on such problems as rural hygiene, housing, and nutrition. In collaboration with two national research institutes, in London and Copenhagen, the League health authorities have also promoted the standardization internationally of important biological products—sera, antitoxins, insulin, vitamins, sex hormones—upon which the treatment of disease and diet so vitally depends.

The second phase of League health work has to do with the collection and dissemination of information regarding the incidence of disease. For this purpose an Epidemiological Intelligence Service has been established in

³² The United States has usually been represented on the Health Committee by the Surgeon General of the U. S. Public Health Service—or an ex-Surgeon General.

Geneva, while across the world, at Singapore, the League has, since 1925, maintained a Far Eastern Bureau. From over 150 ports scattered from Africa to Japan, reports are transmitted to this Bureau, daily or weekly as urgency requires, on the number of cases of infectious disease in each port. Based on these reports, a weekly broadcast is sent out by short and long



SOME OF THE ACTIVITIES OF THE HEALTH ORGANISATION OF THE LEAGUE OF NATIONS

Epidemiological Intelligence Service :

- A.—Countries in touch with the Geneva Centre. B.—Countries in touch with the Singapore Bureau.
C.—Wireless stations which transmit the Singapore Bureau's weekly bulletin. D.—International
Leprosy Centre.

Technical Assistance to Governments :

- E.—In the reorganisation of the public health services. F.—In the campaign against epidemics.
G.—In the improvement of popular nutrition.

FIG. 17.—LEAGUE OF NATIONS HEALTH ORGANIZATION.

Reproduced by permission from *Essential Facts about the League of Nations* (9th rev. ed., Geneva, 1938).

wave "all over the East from the Suez Canal to the Panama Canal and from Vladivostok to Melbourne. It is picked up by ships and enables them to know whether the ports to which they are proceeding are infected with plague or cholera, and similarly, enables health authorities throughout the East to know which arriving ships have come from infected ports, and so enables them to take the necessary precautions against the spread of disease."⁸³ The Geneva office compiles statistical data on disease covering more than 70 per cent of the population of the globe and sends weekly

⁸³ Mackenzie, *op. cit.*, p. 92. See the accompanying map showing activities of the Health Organization.

reports to health administrations throughout the world. Suffice it to say that since the establishment of this service, the world has suffered no widespread epidemics of the more serious contagious diseases.

In the third place, the League health organization supplies technical advice and assistance to national health authorities upon request. Not only this, but it has actively aided backward governments to survey local health conditions and to formulate practical measures for improved health administration. Among the governments calling upon Geneva for such assistance have been China, Bulgaria, Greece, Czechoslovakia, and Liberia. Particularly notable, in this connection, was the program of technical cooperation with the Chinese government which began in 1931 and has continued, in part at least, despite Japanese military occupation, down to the present time. Conducted under the joint supervision on the spot by Dr. Rajchman, the distinguished Director of the Health Section of the League Secretariat, and Mr. Robert Haas, Director of the Communications and Transit Section, this program of social and economic reconstruction covered not merely sanitation, quarantine, and the training of medical experts, but educational reform, railroad reorganization, flood relief, and agriculture as well. Since 1937 the League health authorities have assisted in "the organization of the anti-epidemic campaign in China which it was found necessary to intensify" as a result of Japanese aggression.

Finally, with generous financial assistance from the Rockefeller Foundation, the League Health Organization has arranged for the interchange of national public health personnel. To date more than seven hundred health officials have been given the opportunity to observe and study methods of health administration in other countries. However progressive or wealthy it may be, no nation has a monopoly on the best way to treat all aspects of public hygiene, hospital organization, preventive medicine, or health insurance. As a result of study tours and traveling fellowships given to health officials, many countries, including such an otherwise advanced nation as France, have greatly increased their annual appropriations for public health service. Furthermore, the Health Section of the League publishes brochures on world health conditions and health administration which have undoubtedly had a tonic influence on national health policies. The League's *International Health Year-Book* provides a convenient statistical summary of annual progress in the field of health all over the world.

In addition to the world-wide activity of the League Health Organization, the American republics maintain a Pan-American Sanitary Bureau at Washington and collaborate frequently in conferences on health problems of special concern to the Western hemisphere.⁸⁴ To some extent, this regional activity overlaps with the League's health work, but there has been

⁸⁴ Since 1902, nearly twenty such conferences have been held.

little difficulty in securing an effective liaison between the two programs. The factors of high politics and national prestige have been notably absent from organized humanitarianism in the health field. Medical specialists may honestly differ on technical matters, but their minds can usually reach a common meeting ground without being disturbed by questions of nationality. Here at least, in the words of a former president of the Rockefeller Foundation, science can be "turned from the destruction of life to the healing of the nations."³⁵

³⁵ An address by Dr. George E. Vincent, as reported by *The New York Times*, 6 December 1928.

IX

INTERDEPENDENCE: CULTURE AND ECONOMICS

THE DIFFUSION OF CULTURE

At this juncture it should require little argument to demonstrate how inextricably the cultural life of every country, great or small, is interwoven with the rest of the world. The past century has witnessed a veritable Europeanization of the world's life. "No part of the world, no matter how distant or undeveloped, has been able to seal its ports and minds and ways of life against the products, the inventions, the techniques, the capital of Europe. And with these have gone significant, invisible exports in systems of thought, social and political inventions, ideas of liberty and state from Luther, Calvin and John Locke to Adam Smith, Marx, Mussolini, and Lenin."¹ Whether for good or ill, community cultural patterns are becoming more and more international—if not, in the highly industrialized areas of the globe, increasingly standardized. Despite the differentials of race, language, and tradition, and the impact of frenzied nationalism, man's spirit refuses to imprison itself behind artificial political barriers. Intellectual activity may be cramped by such boundary lines, but the wonders of modern communication thwart even the ideological efforts of totalitarian dictators to "nationalize" creative thought.

Whether it cares to admit the fact officially or not, every nation owes a cultural debt to the rest of the world for its share of the social amenities and spiritual forces which together constitute civilization. "How disastrous would have been the gap," wrote John Morley a generation ago, "if European history had missed the cosmopolitan radiation of ideas from France; or the poetry, art, science of Italy; or the science, philosophy, music of Germany; or the grave heroic types, the humor, the literary force of Spain; the creation of grand worlds in thought, wisdom, knowledge—the poetic beauty, civil life, humane pity—immortally associated with the part of England in the Western world's illuminated scroll. It is not one tributary, but the coöperation of all, that has fed the waters and guided the currents

¹ G. S. Ford, in the Editor's Foreword to Heaton, *op. cit.*, p. xi.

of the main stream. We may ponder some national trilogies or quartettes. Descartes, Voltaire, Montaigne: Dante, Michelangelo, Galileo: Kant, Goethe, Beethoven: Cervantes, Columbus, Las Casas: Hume, Scott, Adam Smith, Burns: Erasmus, Grotius, Rembrandt: Franklin, Hamilton, Washington, Lincoln: Shakespeare, Newton, Gibbon, Darwin. Choose, vary, amplify the catalogue as we will and as we must—no nation or nationality counts alone or paramount among the forces that have shaped the world's elect, and shared in diffusing central light and warmth among the children of mankind." If a group of outstanding scholars drawn from twenty different countries were asked to formulate a list, say, of the twenty greatest intellectual contributors to the rise of western civilization, such names as the following would almost certainly appear in more than one list, some of them in all: Socrates, Plato, and Aristotle (Greek); da Vinci and Galileo (Italian); Tolstoy and Lenin (Russian); Shakespeare, Newton, and Darwin (English); Voltaire, Pasteur, and the Curies (French); Kant, Schiller, and Goethe (German); Jefferson, Lincoln, and Edison (American); and Marx, Freud, and Einstein (German-Jewish). The last-named trio, incidentally, have probably made a more profound impact upon economic behavior, the diagnosis of human personality, and the understanding of the universe, during the last hundred years, than any three other individuals. Yet today all their works are anathema to the rulers of the land that gave them birth, and the one that still lives is a refugee in the United States.

Nor does there appear to be any close correlation between the material power of a nation and its contribution to the world's stock of culture. Switzerland, a tiny nation of only 4,000,000 persons, has contributed John Calvin and Rousseau. From little Norway has come the majestic music of Greig and the powerful novels of Sigrid Undset; from Finland, fine examples of modern architecture; from Mexico, the provocative art of Rivera; from Poland, the immortal music of Chopin and Paderewski. Similar examples might be cited from the history of numerous other small states.

Established in 1901 by the generosity of a Swedish manufacturer, the Nobel Prize Awards symbolize in a special sense the existence of a world community of intellectuals. These awards are designed to focus world attention upon outstanding achievements in science, art, literature, and the cause of peace. Each year a small number of individuals, regardless of nationality, are honored by the Nobel Committee. In an appropriate public ceremony, the winners appear in person to receive their awards. Geographically, these prizes, down to the year 1938, were distributed as follows:

Germany	37	Sweden	10.5
Britain	23.5	Switzerland	7
France	20.5	Holland	6
United States	18		

The remainder are scattered among thirteen other nationalities. "In literature and peace the four leading nations are practically equal, with France having a slight advantage, but in the sciences Germany has received more than the next two nations combined."²

Even in the domain of national institution-building, an international radiation of ideas may be detected. Little Switzerland, for example, originated the popular referendum—a mechanism of popular control copied widely not only by American states, but also by various European democracies. To a remarkable degree the basic patterns of representative government may be traced to two common sources—the English "Mother of Parliaments" and the American Federal Constitution, the latter document having itself been influenced by the interpretation of British parliamentarism derived from Montesquieu, an eighteenth-century French political philosopher. During the eighteenth century British political forms were directly transplanted in the overseas English-speaking Dominions and indirectly in such continental countries as France, Belgium, Holland, Norway, Denmark, and Sweden. The American system of 1787 inspired the constitution-makers of the new nations of Latin-America, even if their copying was confined largely to form rather than spirit. Over much of western and southern Europe existing national administrative systems are largely of French design. When, in 1919, the Weimar Assembly had before it the task of making a constitution for the German republic, it borrowed heavily from American, French, and English practice, not to mention certain provisions that were suggested by Russian Sovietism. The ideology of American democracy exerted a strong influence upon the political thinking of Sun Yat-Sen, the political "father" of present-day China, while since his death the Chinese nationalist movement has been not inconsiderably affected by the infiltration of Soviet ideas. In an earlier chapter attention was called to how two great historic bodies of law, the Roman and the English, form the foundation of the national legal systems of most of Europe and America, as well as, indirectly, of Japan.³

One of the most remarkable aspects of the "export of culture" in modern times appears in the relations of Occident and Orient. Within a generation after the opening of Japan to Western trade, Japanese leaders

² *The New York Times*, 6 July 1938. Among the American winners are Michelson and Millikan, in physics; Carrel, Morgan, and Minot, in medicine; Sinclair Lewis and Pearl Buck, in literature; and Theodore Roosevelt, Woodrow Wilson, Elihu Root, Jane Addams, Nicholas Murray Butler, and Frank B. Kellogg, in peace.

³ At the present time Nazi Germany is trying to evolve a new "German Common Law," based upon Nazi ideas of race and nation, from which all foreign ideas are to be eliminated. It may be doubted, however, whether the rules of civil procedure, whatever may happen in the domain of criminal law, will undergo any material alteration. Fascist Italy is also reported to have completed the preparation of a new civil code embodying the fascist concept of the state. *The New York Times*, 2 July 1939.

became convinced that, in order to become strong, Japan should adopt Western industrial methods, Western administrative processes, and Western military science. Accordingly, there took place that amazing transformation of Japanese national life which, by the opening of the present century, brought the "Kingdom of the Rising Sun" into the orbit of Western industrialism, militarism, and imperialism. Subsequently, after the World War, the Japanese "gradually developed an insistence upon a reversion to their own way of life and a drawing away from the influences of the West."⁴ The penetration of Western materialism upon Japanese economy had, however, gone too far to permit any real return to an attitude of isolation. The early reaction of China to the West was one of disdain. But their defeat by Japan in 1895 aroused the Chinese to a realization that they, too, must learn modernism from Europe and America. With the Boxer Indemnity scholarships, China initiated the policy of sending thousands of young men and women to the Occident for study and observation. In contrast to Japan, China at first concentrated rather more upon the introduction of Western medicine, sanitation, and education than upon industrialism or militarism per se. It was not until the full force of Japanese imperial aggrandizement was felt by China that the material aspects of Western life received a belated acquiescence from Chinese intellectuals. Recently, in China as well as Japan, a nostalgic desire to reemphasize ancient cultural values has become noticeable. Both peoples now believe that their relations with the West should be in the nature of a real exchange, that "they have much to give the West as in turn the West has much to give them." Recent years, moreover, have seen a perceptible growth of interest among Western intellectuals in Oriental culture. A small but increasing number of American and European students are now seriously concentrating upon the mastery of the Chinese and Japanese languages and an understanding of Far Eastern cultures.⁵

The case of contemporary Turkey represents a striking example of a Near Eastern people deliberately endeavoring to "Westernize" the instrumentalities of its national regeneration. Since 1923, under Kemal Atatürk's vigorous direction, the Turkish republic has gone "modern" in amazing fashion, with the introduction of scientific agriculture, industrial management, and a public architecture that rivals the most advanced European and American types in its modernistic contours. Even India, despite the nativist philosophy of the Gandhi movement, has not escaped a growing intrusion of Western techniques.

⁴ S. Duggan, "Present Cultural Relations between the Orient and Occident," *News Bulletin of the Institute of International Education* (New York), 1 December 1936.

⁵ Such cooperative organizations as the Harvard-Yenching Institute are helping to further the development of intellectual interrelations between America and China.

It goes without saying that the tempo and range of cultural diffusion has been tremendously increased by the instruments of modern communication. For nearly a century the international export of books, periodicals, art objects, and musical compositions has been a commonplace item in world commerce. Notwithstanding the attempt of various present-day states to seal their territories against the entry of certain literary and artistic materials from abroad, the export of intellectual products continues to expand. Important libraries throughout the Western world are constantly increasing their subscription lists to foreign language newspapers, magazines, and scientific periodicals. Masterpieces of literature are now available in every major language, Oriental as well as Occidental. The invention of new technical devices for copying and preserving documentary materials, such as the photostat and microfilm, already bids fair to multiply the international usage of the records of man's activity by scholars and creative workers. In Europe and America public museums exhibit painting and sculpture produced by creative artists from the entire Occidental culture area, in addition to a substantial quota of Oriental art. Rich America now purchases the "migration" of European art masterpieces for its great art collections. "Science and the ensuing application through inventions moves rapidly and at an ever increasing pace. Once chemistry or physics or biology has made a basic discovery it starts a round of other discoveries and inventions. The spiral once moving whirls faster and faster and in a greater and greater arc. The single basic discovery was once long in coming and its practical applications still longer. Twenty years after Henry, an American, and Faraday, an Englishman, had observed the effects of currents upon magnets and upon one another, an English mathematician working in the realm of pure theory published an explanation of the phenomena. It was more like a prophecy but it was confirmed fifteen years later in a German laboratory by Hertz, whose researches on the detection and production of electromagnetic waves opened a new world. Ten years later on Salisbury Plain amid the ruins of a Druid civilization, Marconi laid the foundations of new civilization when he transmitted a message without wires a distance of two miles. Within a decade science had bound the world together."⁶

When we consider the press, the motion picture, and the radio as media of cultural diffusion, we enter into the domain of popular behavior. It is not merely the scientist in his laboratory, or the scholar in his library, or the writer in his study, or the artist in his studio, that feels the force of ideas and impressions disseminated by these instruments of communication. It is also the populace which, in constantly increasing millions, makes up the newspaper-reading public, the cinema audiences, and the radio listeners. As a corollary of the annihilation of physical distance by scientist and tech-

⁶ Ford, "Science and Civilization," *op. cit.*, p. 17.

nician, "social" distance has also shrunk immeasurably. The travel film brings to people living far in the interior of America visual impressions of exotic lands and customs. While feature films frequently distort the character of life in foreign countries, a serious effort to improve their authenticity as social documents may now be discerned. Despite nationalistic tensions, the importation of foreign films has steadily become more general during recent years except, of course, in those countries where culture is rigidly regimented. Today, from the artistic standpoint, some of the finest films are being produced by such countries as France and Russia, whose total film output is but a small fraction of Hollywood's product. Most of these high grade films reach a considerable international audience, although they still constitute only a minor portion of the total offerings in the United States. Such a film as *Grand Illusion*, a French production subtly depicting the *camaraderie* of French war prisoners with their German captors, suggests the possibility of developing the motion picture as a medium of better international understanding. With the aid of the documentary film, the task of effectively teaching the lessons of history and geography should become much easier during the next generation—a history and a geography, moreover, that need not be conceived in narrowly nationalistic terms.

Similarly, the popular appreciation of foreign musical and dramatic masterpieces is growing apace, thanks to the cinema and the radio. No form of artistic expression is inherently more cosmopolitan than music. Once, when asked about nationalism in music, the great *maestro*, Arturo Toscanini, gave this reply: "There is no such thing. Otherwise there would be no Wagnerian style, no Weberian style. Mozart, who was born in Salzburg, modified the style of certain early Italians with his own genius. Is he to be classed as a German? Chopin is said to have written essentially Polish music. What he did was to interpret his own soul. You cannot bound a musical melody as you would a country. Music may have many dialects, but its language is universal. The waltz was developed in Germany, but it belongs to the world. The very instruments that are supposed to be typical of one country can appropriately play the tunes of other lands. 'Die Wacht Am Rhein' sounds as well on the bagpipes as 'The Campbells Are Coming.' Harvard's song is Irish, 'Maryland, My Maryland' is German, and the tune to which we sing 'America' is the national air of several countries. And so, in making up my programs, I never consider the nationality of any piece."⁷ Aside from negro spirituals and jazz, little truly native music has yet appeared in North America. Americans are largely dependent for symphonic and operatic music upon the great European composers, the majority of whom were nationals of countries with whose present politics most Americans vehemently disagree. Yet nobody in America seriously proposes a

⁷ Interview quoted in *The New York Times*, 27 May 1928.

boycott of German, Italian, or Russian music for that reason. What could better symbolize the internationalism of music than the spectacle of the Italian-born Toscanini directing in Radio City an American symphony orchestra, made up of members of varied nationality, in a concert that included a new Soviet symphony, a symphonic poem by the Franco-Belgian composer, César Franck, and the dance of Salomé from the opera by Richard Strauss, an Austrian—the strains of the music affording delight to a vast unseen radio audience scattered across two hemispheres? Such was the character of one of the regular Saturday evening NBC concerts selected at random from the 1938-39 season.

The language of the spoken drama may be less universal than that of instrumental or even vocal music, yet the talking screen now enables millions of people to become familiar with contemporary as well as historic plays of foreign creation, where a generation ago only thousands could enjoy such privilege. The dramatic portrayal of biography on the screen, illustrated by the film versions of the work of Louis Pasteur and Alexander Graham Bell, is helping to give the general public some notion of the international sources of modern knowledge. It should be remembered, moreover, that the surface of this kind of cultural diffusion has to date only been scratched by the film industry—still less by organized radiobroadcasting.

World's fairs have appeared as a further means of registering advancement in art and technology on an international scale. Since the famous London Exposition of 1851, such expositions have been held with increasing frequency in both Europe and America. The 1930's alone produced the French Colonial Exposition of 1931, the Chicago "Century of Progress" Exposition of 1934-35, the Brussels Exposition of 1935, the Paris Exposition of 1937, the British Empire Exhibition of 1938, and in 1939 both the San Francisco Golden Gate Exposition and New York's grandiose fair inspired by the *motif* "The World of Tomorrow." Not only private industrial concerns, but governments by the scores participate in these undertakings, the visitors to which include thousands of foreigners. Nowadays hardly a month passes without the announcement of a variety of international shows and exhibitions of more restricted scope. The gamut of these manifestations of "functional" internationalism embraces almost the entire range of industrial, agricultural, scientific, and social activity—from motorcars, aeronautics, and live stock to housing, horticulture, sculpture, architecture, painting, sanitation, and educational methods.

The peaceful interpenetration of foreign styles, amusements, manners, and morals represents a further phase of cultural diffusion. Until its supremacy was threatened by Hollywood a few years ago, Paris had long been the acknowledged arbiter of feminine fashions on both sides of the Atlantic, while for men's clothing London occupied a somewhat less domi-

nant position. Every connoisseur of good food knows the world-renown of the French *cuisine*. Regardless of the country, whether Occidental or Oriental, the names of famous French dishes appear on the menus of all better class hotels and restaurants. Indeed, hors d'œuvres are an international institution in their own right.⁸ American in origin, "the cocktail party" has become the custom of a large section of bourgeois society throughout Europe and South America. The sign "American Bar" greets the tourist in every large European and Oriental city. The movies have introduced an appreciable American jargon into the spoken French and Spanish of today, while the latter has picked up many English expressions from the tourist and visiting athlete. Reference was made earlier to the foreign exportation of national games, chiefly from England and the United States; similarly, with current popular music and dance styles. Such card games as bridge and poker are played in many languages. The crossword puzzle has recently attained "multilingual maturity." Chess has long been an international game. During the 1920's Chinese mah-jongg enjoyed exotic distinction as the entertainment craze of Western society. Until national totalitarianism began to barricade national cultures against foreign "contamination," the superficial "Americanization" of the European world in our machine age was sweeping forward without check. American ways were permeating great cities and sifting into village life. Not even the institution of the family could escape the effects of modern ideas of freedom for youth from traditional convention or the emancipation of women from age-old restrictions. Traditionalists might cry out, as they frequently did, against the "disintegration of morality and the home," but the cosmopolitan reaches of the new technology continued to "delocalize" large segments of social behavior.

No national culture can exist in isolation when gadgets, habits, symbols, institutional forms, and social values "cross and recross national boundaries as they do today."⁹ Even though the current fascistic reaction against the inexorable processes of "cosmopolitanization" may possibly retard their tempo for the time being, there is no indication whatsoever that the trend can be permanently reversed. The eggs of culture have been too thoroughly scrambled internationally for the fiats of national ministers of "propaganda

⁸ A few years ago a Chicago hotel held a contest to find a substitute for the term "hors d'œuvres" which any "ordinary American" could pronounce. After considering nearly 1000 different suggestions, two of the judges decided that "Americans might just as well continue shocking fastidious waiters by ordering 'horse doovers' or just pointing to the menu. The other three, more optimistic than their colleagues, voted to 'carry on.'" What finally happened is not known. *The New York Times*, 19 September 1937.

⁹ See R. S. Lynd, *Knowledge for What?* (Princeton, 1939), for a stimulating analysis of what should be the rôle of social science in helping us to adapt our institutional behavior to technological change. While Mr. Lynd is concerned primarily with American culture, his argument would apply equally well to any national community.

and enlightenment" to unscramble them. What lends still further assurance to this view is the undeniable fact of world economic *interdependence*, to which we now turn our attention.

ECONOMIC INTERDEPENDENCE

Put in the simplest terms, world economic interdependence means that, given the present stage of machine technology, no nation can live its economic life on a self-sufficient basis. Just as the material well-being of the *local* community rises or falls with the state of *national* economic health, so the prosperity of every national community is to a greater or lesser degree dependent upon *international* economic conditions. The fundamental reason for this, as already indicated, is that the essential materials for modern industry are not distributed over the globe in any close relation to human need or capacity to use them. The techniques of production do not advance at an equal tempo among all peoples. In conjunction with the effects of long-distance transportation upon the marketing of goods, this situation provides the basis for an international division of labor and a regional specialization of production which, in turn, has produced international trade. As new industrial techniques appear, the variety of materials, raw and refined, necessary for the operation of the complex industrial establishment of the world, increases correspondingly.

The diversification of basic materials in the productive process may be illustrated in various ways. Take, for example, power resources. Until a half-century ago, coal was the sole source of energy for industry and transportation. It is now supplemented by petroleum and hydroelectric power. The distribution of petroleum reserves and waterpower sites has become a factor of vital importance in the spread of machine industry into backward regions. The use of these new sources of power has greatly increased productivity per worker and made possible the diversion of additional human effort to service occupations. Only the United States of America and the Soviet Union possess sufficient power resources for their own needs. But even these great continental nations, as we have seen, are deficient in strategic industrial materials. The United States lacks rubber, silk, wool, jute, manganese, nickel, tin, bauxite, tungsten, graphite, and several less important minerals. The Soviet Union must import nickel, tungsten, rubber, and bauxite, and is deficient in copper, zinc, sulphur, et cetera. For the other five leading industrial powers, the list of missing or deficient raw materials is even longer, while for the fifty or so lesser states it reaches formidable dimensions. Accordingly, even if national protectionism could

be pushed to the point where only raw materials were imported, there would still be a substantial international trade.

Practically, however, no modern national community either can or will contract its foreign commerce to this level. Why? For the simple reason that to attempt it would disrupt the existing national economy in most instances, or, at the very least, substantially lower the national standard of living. Furthermore, those nations poor in natural resources cannot import what they need without selling in return. Selling what? Manufactured products and services. Much of the total volume of international trade, as we shall see later in fuller detail, consists of the exchange of finished products, including luxury and semiluxury goods, between competing industrialized nations, such as, for example, Britain and Germany. Many important industries, like motor cars in the United States and textiles in Britain and Japan, have acquired a plant capacity which cannot be operated at a profit without having a large export market in which to dispose of domestic surpluses.

For the countries listed below, the proportion of total home production of movable goods sold abroad, from the World War to 1932, fluctuated around the following percentages:¹⁰

Latin-American countries	30 to 85
Japan	45 to 60
New Zealand	40
Germany, Canada, and Australia	30
Great Britain	25
United States of America	10 to 15

The national prosperity of certain countries is completely bound up with their ability to export a single product in large quantities and at profitable prices. Among these so-called "one industry" countries are Cuba with sugar, Brazil with coffee, Bolivia with tin, and Australia with wool. For South Africa, gold export, and for Japan, silk export, is a decisive factor in the maintenance of domestic prosperity.

Despite the relatively small proportion of total American domestic production sold abroad, many of the major industries of the United States, as well as much of its agriculture, are vitally dependent upon a large export business. Before the recent world depression, the United States normally exported about half of the raw cotton, copper, and turpentine annually produced in the country; nearly a third of the lard, sewing machines, and agricultural machinery; a fifth of the wheat; and from 10 to 15 per cent of the industrial machinery and motor vehicles. Although the total volume of American exports has fluctuated around lower levels since 1931, the export

¹⁰ Figures cited by Secretary Hull at the London Economic Conference of 1933.

trades were estimated in 1932, one of the worst years of the depression, to have provided direct employment for 2,000,000 workers, while an additional 1,250,000 were employed in industries supplying the export group. Thus, at a time when national unemployment had reached the ominous figure of 12 to 15,000,000 workers, in no small measure because of the stagnation of world trade, from 10 to 12,000,000 Americans (employed workers and dependents) derived their livelihood, directly or indirectly, from the proceeds of sales of American products abroad.¹¹

Or look at the matter from the standpoint of national food supply. Certain countries, notably the United States, the Soviet Union, France, and Poland, could keep their populations from starving without resorting to importation. Even for these favorably situated nations, however, a policy of self-sufficiency in foodstuffs would necessitate drastic changes in dietary habits. For example, Americans would have to go without coffee, tea, bananas, olives, and spices, while the consumption of sugar would need to be rationed. For the highly industrialized countries of western Europe, an adequate supply of the staple foods—meats, cereals, vegetables, dairy and poultry products—could not, despite the improved productivity of modern agriculture, be provided at home. Normally, Great Britain imports nearly half of its food supply; Holland and Belgium, an even larger proportion. Exclusive of Russia, Europe as a whole is a deficient wheat-producing area. Although its total potato production is adequate, the surplus crops in certain countries supply deficiencies for others. So the story goes. Sugar moves from semitropical regions to Europe and North America. Such fruits as oranges, grapefruit, lemons, apples, and bananas are shipped in large quantities from California, Florida, Spain, Italy, and South Africa to supply the teeming city populations of the north temperate zone. As a result of refrigeration, dressed meats can now be transported overseas from South America and Australasia to Britain, Germany, France, Italy and other European countries. Nine-tenths of the world's coffee supply comes from three Latin-American countries: Brazil, Venezuela, and Colombia. Tea is almost exclusively an Oriental product. New processes of refining and preserving foods for use months or years after the ingredients leave tree or soil have contributed tremendously to the diversification of diet, winter and summer alike, not only within large agricultural countries, but for industrialized communities as well. All of this could not have occurred without the buying and selling of a wide variety of food products across national boundaries—indeed, across continents and oceans! The market for foodstuffs, like the market for manufactured goods, has become world-wide.

Chemistry may be cited as a further indication of this economic inter-

¹¹ For a graphic picture of the rôle of world trade in American prosperity, see W. C. Redfield's *Dependent America* (Boston, 1926).

nationalism. Less conspicuous on the industrial stage than, say, textiles, steel, or the construction trades, the chemical industries nevertheless play a peculiarly strategic rôle in modern production. Chemistry "is in a sense the handmaiden of the mechanical industries." Among American industries classified as predominantly chemical are alcohol, baking powder, yeast, drugs, lubricating oils, dyes, ink, paints, soap, and explosives.¹² Not one, but many raw materials are basic to these industries: sulphur, potash, nitrates, phosphorus, and a host of less well-known substances. The United States is the principal producer of the world's sulphur and phosphorus supply, but potash and nitrates come for the most part from Chile, Germany, and France. It requires no involved argument to prove how impossible the miracles of modern chemistry would have been without the development of international trade in these basic materials.

It all comes down to a fact that the general public little understands, namely, that the vast majority of products, necessities as well as luxuries, which contemporary mankind consumes, cannot accurately be labeled as "Made in the U.S.A.," "Made in Germany," or made in any single homeland. In America, "to make Fords and Chevrolets and Plymouths, we must have cork from Algeria or Portugal, tin from Malaya, chrome from Rhodesia, shellac from India, and a variety of other materials from around the world. Above all, cars are of no use without tires. Tires mean rubber from Dutch East Indies or Malaya and long staple cotton from Egypt. And we must have rubber for telephones, fountain pens, electric wiring, radios, and a thousand other necessary items in American life."¹³ Under normal economic conditions, a modern telephone system utilizes nearly forty different ingredients from a score or more of countries (see the map, pp. 230-31), although some of the materials can, if necessary, be obtained elsewhere at higher prices. The clothing worn by Americans requires raw Japanese silk for stockings, wool from Australia and Argentina, furs from Canada, Russia, and China, and hides from Canada, Argentina, and Australia. On the other side of the globe, American-made typewriters and sewing machines supply offices, factories, and homes by the thousand. In short, international commerce is the lifeblood of world economic progress. When the former stagnates, not only does the latter slow down, but the blight of unemployment sweeps over the populated regions of the globe. As we shall see later, frantic efforts to produce synthetic substitutes for imported goods, by such nations as Germany and Italy, may temporarily give the impression of greater national self-containment (chiefly for military purposes!) but at a terrific price to the home consumer. "Modern industrial

¹² See Killough, *op. cit.*, p. 237.

¹³ "Made in the U.S.A.," *Foreign Policy Association Headline Book* (New York, 1935). See also *The World Buys a Motor Car* (Automobile Manufacturers' Association, 1938).

civilization rests upon a raw material base that is unavoidably international." ¹⁴

The large-scale development of international trade under the profit system has led to two other phenomena which accentuate international economic sensitivity. One of these is the flow of capital from more advanced to less advanced regions. The other is the emergence of international business organization. In a later chapter, the political implications of foreign investment and world business will be analyzed in detail.¹⁵ By way of introduction, suffice it to say here that not only the financing of foreign commerce, but the procurement of industrial and agricultural raw materials on a vast scale, involves the risking of capital wealth in all sorts of foreign enterprises. The railways of Canada, the United States, and western Europe were built originally with British capital. The mineral wealth of western North America, South America, the Near East, and southern Asia has been extracted by European- and American-financed corporations. The sugar and fruit industries of the Caribbean and Central American region are largely the property of such combinations of North American capital as the Guggenheim Syndicate and the United Fruit Company. These are but a few examples of foreign capitalist enterprise selected at random. We shall have further opportunity to call attention to others.

Whatever the form in which capital export occurs, the income of millions of individuals and corporate institutions is affected by what happens to the foreign-owned enterprises in which their funds are invested. Revolution or civil strife in some Latin-American country, resulting in the default of interest payments on a loan floated by a New York banking house, may have adverse repercussions upon small investors in the Middle West of the United States. Innumerable French peasants lost their savings by buying the bonds of the Tsarist Russian government which the Bolsheviks subsequently repudiated. On the eve of the World War, the annual investment of British funds abroad absorbed one half the national savings. Interest and dividends from the total outstanding foreign investment of Britishers then amounted to a tenth of their national income. In 1927, American investments abroad and on the high seas equalled the total wealth of the country fifty years earlier.

The international flow of capital has been facilitated by the development of large banking syndicates in such world financial centers as London, New York, Paris, Berlin, and Amsterdam. Some of these banking concerns maintain branches all over the world. At one time during the 1920's, for example, the National City Bank of New York had 106 branches in twenty-three foreign countries. Not only do such banks handle the flotation of long-

¹⁴ E. Staley, *Raw Materials in Peace and War* (New York, 1937), p. 3.

¹⁵ See Chapter XIII.

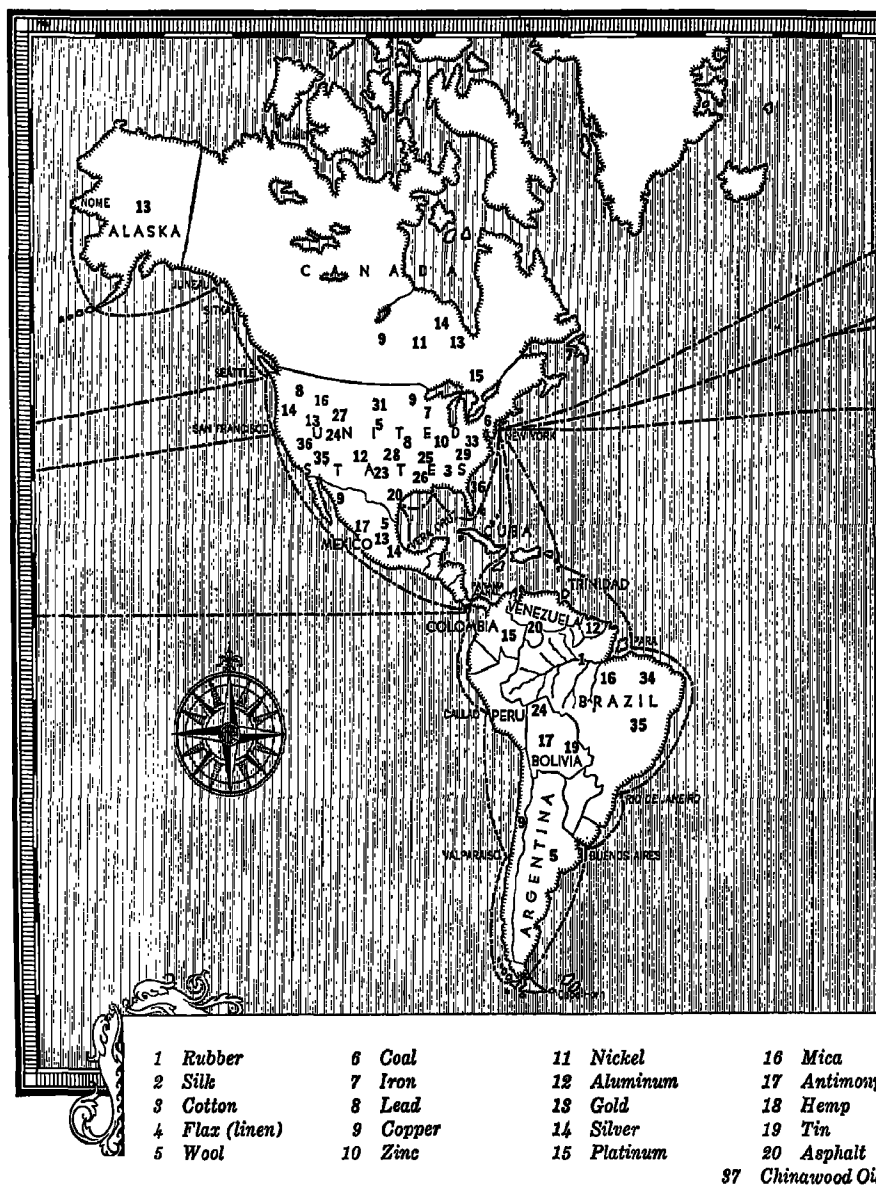
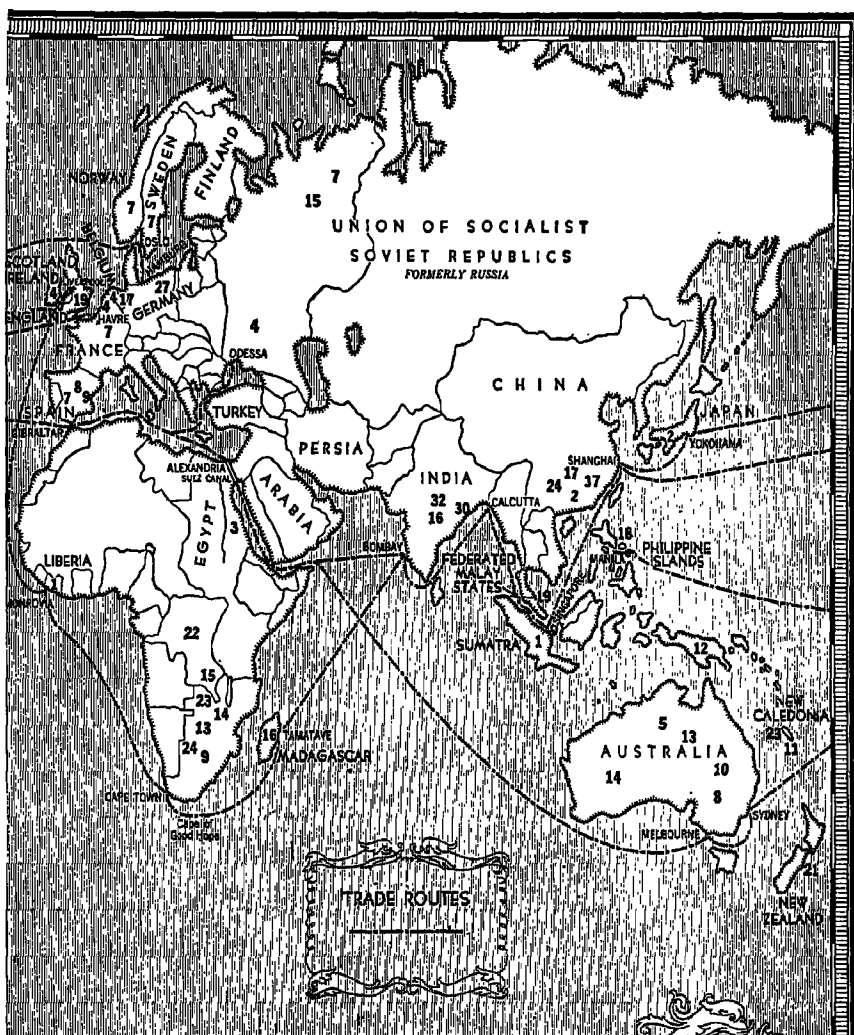


FIG. 18.—SOURCES OF THE MORE IMPORTANT
From *The Far Corners of the Earth* (4th ed., 1939, Western



- | | | |
|----------------------|------------------|---------------------------|
| 21 Kauri Gum | 26 Stearin Pitch | 31 Leather |
| 22 Cobalt | 27 Magnesium | 32 Jute |
| 23 Chromium | 28 Wax | 33 Phenol Plastic & Fibre |
| 24 Tungsten | 29 Silicon | 34 Carnauba Wax |
| 25 Cellulose Acetate | 30 Shellac | 35 Gilsonite |
| | | 36 Clay and Talc |

MATERIALS USED IN A TELEPHONE SYSTEM.

Electric Company). Reproduced by permission of the publishers.

term foreign loans, but, by means of short-term commercial credits, they help to finance the current operations of international trade. For certain unusually large international loan transactions, banking concerns in different countries have frequently coöperated in joint arrangements for supplying the necessary capital. During the last forty years, several of the large foreign loans made to China have been handled by international banking consortia in which London, New York, Paris, Berlin, and Tokyo, all or some of them, participated. During the 1920's, similar arrangements were made through the League of Nations for reconstruction loans to Austria, Hungary, Bulgaria, and Greece.

Another manifestation of world economic interrelations has been the establishment of branch factories, assembly plants, and home-owned warehouses in foreign countries. In 1933, for example, a compilation of the U. S. Department of Commerce showed that American companies were maintaining over 1800 foreign branches representing an aggregate investment of more than two billion dollars. In the automotive industry alone there were seventy-six American branch plants abroad, while in the field of electrical equipment there were about 146.¹⁶ Various factors account for this voluntary "expatriation" of American factories. In some cases, it is due to a desire to save transportation costs; in others to take advantage of lower wages or of an appeal to national sentiment on the part of foreign purchasers. In most instances, however, the dominant motive is "to get in behind foreign tariff walls in order to circumvent economic nationalism." Nor has the branch factory movement been confined to American business alone. With the British and Germans in particular, it has long been a widely used method of effecting penetration into foreign markets. Where branch plants are established abroad, it is not "consumption products" that are being exported so much as "the equipment, the production technique, and the managerial skill of an industrial process," all of which add to the interlocking of interests between business groups in different countries.

In a number of important fields of twentieth-century industry, management and marketing operations have become internationalized by agreement among the owners. We have already called attention to this phenomenon in the field of long-distance transportation and communication. It may also be seen in the oil and rubber industries; in tin, lead, zinc, copper, aluminum, and nickel; in steel, textiles, and chemicals; and in sugar. These international "combines" fall into two major categories. Many of them consist merely of loose associations of producers, called "cartels" or "pools," for the purpose either of restricting output with a view to keeping prices up, or of dividing domestic and export markets in order to reduce or eliminate ruinous competition. Before the World War, according to

¹⁶ *The New York Times*, 23 June 1933.

reliable authority, over a hundred such international cartels, involving the industries of two to six countries, could be counted.¹⁷

Although the majority of these industrial cartels were disrupted by the War of 1914-18, the movement toward international business combination, chiefly intra-European, reasserted itself during the first postwar decade. Among the leading cartels then established were the European iron and steel entente, including most of the Continental producers; the zinc cartel, with German, Belgium, and British members; the copper cartel, in which German, British, Belgian, and American interests participated. The Franco-German potash entente, formed in 1924 to eliminate competition in the American market, resulted temporarily in a monopolistic control of an essential raw material. There were other agreements among manufacturers of drug, glue, cement, and aluminum products. For a time a European movie film cartel tried to check American penetration into the European film market. Before the end of the 1920's, still more during subsequent depression years, overproduction caused prices to slump disastrously in the case of such basic raw materials as rubber, tin, copper, and sugar. This situation resulted in attempts to restrict output by international agreements among producers. Within the British Empire, a governmentally aided scheme to raise rubber prices by limiting production in Malaya and Ceylon was inaugurated in 1922, although it failed of its purpose because the co-operation of Dutch producers was not secured.¹⁸ A similar fate overtook the so-called "Chadbourne Plan" of 1931 for placing sugar production on a quota basis. This elaborate scheme, embracing seven of the chief sugar-growing countries, was to be administered by an International Sugar Council. However, it broke down by 1933 "owing to the expansion of production in countries not parties to it." Four years later, twenty-two countries entered into a five year compact to regularize the production and marketing of sugar by export quota arrangements. The International Tin Committee, set up in 1931, proved more successful. With the aid of national legislation, it has been able to control over 80 to 90 per cent of the world's output of raw tin—from Malaya, the Dutch East Indies, Bolivia, Nigeria, and Thailand (Siam)—and thereby raise the market price to a profitable level.

In general, the international cartel movement, although "part and parcel of the normal evolution of economic organization," reveals all "the difficulties of a piecemeal internationalism." Two opposing factors have

¹⁷ Alfred Plummer, *International Combines in Modern Industry* (London, 1934), p. 3. This is the best general survey of the subject in English.

¹⁸ A "new rubber control scheme, initiated on June 1, 1934, attempts to avoid some of the pitfalls of the previous scheme by an open agreement between all the chief producing governments."—W. Y. ELLIOTT and Others, *International Control in the Non-Ferrous Metals* (New York, 1937), p. 7. This volume presents a thorough analysis and an admirable appraisal of the cartel movement in the field of mineral resources.

usually tended to defeat its objectives: the competitive desire to force out high-cost producers and the nationalistic desire for self-sufficiency through tariffs, export taxes, and subsidies. An international cartel may save an industry from collapse during a period of severe business depression and thereby justify itself. But if restrictions on output are continued for very long after recovery begins, the industrial consumer runs the risk of monopolistic exploitation. As the consumer of 40 per cent of the world's tin production, the United States has in recent years had to pay abnormally high prices to the International Tin Cartel.

The second category of international business organization includes the holding company and trust. Here a group of subsidiary companies are brought under more or less unified financial direction, without much interference in internal management, by the common purchase of a substantial bloc of stock in each company. For example, in the artificial silk industry, there is "a vast and intricate network of interlacing interests" involving British, American, German, Italian, French, and Dutch producers. Similarly, in the electrical supply industry, the du Pont de Nemours Company of America is an interesting illustration of how interlocking directorates function at the international level. This gigantic corporation, producing nitrates, explosives, rayon, dyes, paints, and motion picture films, holds a large share of the common stock of the General Motors Corporation, "through which it comes into contact with Nobel Industries, Ltd., [Swedish] and hence with Imperial Chemical Industries [British]. It has agreements for interchange of patents and processes with the German chemical and explosives industries, and has some holdings of securities in that industry. Especially through General Motors, it is closely in touch with the Morgan interests, and J. P. Morgan and Co. act as its financial agents."¹⁹ Du Pont also has large interests in the German automobile manufacturing industry. The Standard Oil Company is said to control over 500 subsidiary companies, besides maintaining informal business agreements with such formidable foreign concerns as the Anglo-Persian Oil Company, the Royal Dutch-Shell and the German I. G. Farbenindustrie. With its overseas subsidiaries, the American Singer Company is said to control around 80 per cent of the world production of sewing machines. "The remarkable, if somewhat crooked financial genius of Ivar Kreuger built up the Swedish Match Company and the Kreuger and Toll Organization—a trust with world-wide ramifications which secured the grant of match monopolies, by making or guaranteeing loans to governments."²⁰ The international structure of the

¹⁹ H. A. Marquand, *The Dynamics of Industrial Combination* (London, 1931), p. 134, quoted in Plummer, *op. cit.*, p. 33. Most of the examples cited below are taken from Plummer.

²⁰ Plummer, *op. cit.*, p. 42. The list of governments receiving Kreuger and Toll loans includes Germany, Poland, Yugoslavia, Hungary, Rumania, Latvia, and Estonia. In 1928 Kreuger claimed to control the match trade in North America, France, Norway, Sweden, Poland, Peru, Greece, New Zealand, Australia, South America, and Japan.

munitions industry will become apparent when, in a subsequent chapter, we consider the business angle of militarism and the arms traffic.²¹

These are a few outstanding illustrations of international capitalism at work. By a variety of ingenious devices, the modern business entrepreneur seeking profits has constructed a veritable network of connections which pay little heed to political divisions. The tendency toward business combination in the form of branch plants, trade associations, banking consortia, cartels, interlocking directorates, holding companies, and trusts has not stopped at the water's edge or the national frontier. Part of this international fusion of capitalist enterprise may be limited to contiguous land areas, but much of it is of world-wide dimensions. Whether, on the whole, it has been for good or ill, we are not concerned at the moment. For the student of international relations, the important fact is that it has immeasurably heightened the sensitivity of the economic system to shock. Until the Great War of twenty years ago, few persons realized the ease with which political upheaval in one part of the globe could generate a world-wide dislocation of production and trade. A graphic passage from the prophetic book by John Maynard Keynes on *The Economic Consequences of the Peace*, which appeared shortly after the Paris Peace Conference, suggests the extent to which economic internationalization was assumed, by the pre-1914 generation, to be a normal and stable state of affairs:

The inhabitant of London could order by telephone, sipping his morning tea in bed, the various products of the whole earth, in such quantity as he might see fit, and reasonably expect their early delivery upon his doorstep; he could at the same moment and by the same means adventure his wealth in the natural resources and new enterprises of any quarter of the world, and share, without exertion or even trouble, in their prospective fruits and advantages; or he could decide to couple the security of his fortunes with the good faith of the townspeople of any substantial municipality in any continent that fancy or information might recommend. He could secure forthwith, if he wished it, cheap and comfortable means of transit to any country or climate without passport or other formality, could dispatch his servant to the neighboring office of a bank for such supply of the precious metals as might seem convenient, and could then proceed abroad to foreign quarters, without knowledge of their religion, language, or customs, bearing coined wealth upon his person, and would consider himself greatly aggrieved and much surprised at the least interference. But, most important of all, he regarded this state of affairs as normal, certain, and permanent, except in the direction of further improvement, and any deviation from it as aberrant, scandalous, and avoidable. The projects and politics of militarism and imperialism, of racial and cultural rivalries, of monopolies, restrictions, and exclusion, which were to play the serpent to this paradise, were little more than the amusements of his daily newspaper, and appeared to exercise almost no influence

²¹ See pp. 414-427, *infra*.

at all on the ordinary course of social and economic life, the internationalization of which was nearly complete in practice.²²

But the catastrophe happened. Instead, however, of leading to any sustained world-wide effort to readjust political organization in the light of the War's lessons, it caused most nations to aggravate the situation by instituting short-sighted policies of economic protectionism. For a short decade, nevertheless, the forces of economic reconstruction seemed to be making headway. Aided by large-scale loans from rich America, European trade revived and the intermeshing of economic activity became more intensified than ever. Manchester was once more setting the world price of cotton; Chicago, the price of beef; and so on. This new prosperity, however, proved to be but a brief interlude between war and depression. Ill-conceived national policies so retarded the adjustment of economic activity to current technological and social change as to provoke the New York stock market crash of 1929, followed less than two years later by financial debacle in Europe. Everywhere, from London to Tokyo, from New York to Buenos Aires, business confidence was transformed into a fear psychology. By 1932, the entire civilized world had sunk into the morass of black depression which, for its severity, scope, and duration, has proved to be without parallel in modern history. Every subsequent war scare has given stock markets the international "jitters."

What more tragic demonstration could there be of the *transnational* pattern of economic life? What more dramatic indication of the chasm that yawns between the beneficent potentialities of machine technology and the chaotic realities of an international political anarchy? Socially, economically still more, human activity is internationally interwoven; politically, human society is fragmented into "independent" states which are now aligned in two more or less clearly defined combinations of power. "The anarchy we are living in today," recently declared Professor James T. Shotwell, "is the most dangerous since the fall of Rome."²³ In the last analysis, the central problem of contemporary *domestic* and *world* politics alike is how to reduce the lag of social behavior behind the inexorable march of science and technology.²⁴

²² (New York, 1920), pp. 11-12. Reprinted by permission of the author.

²³ In an address before the Woodrow Wilson Foundation, *The New York Times*, 29 December 1938.

²⁴ "Mankind has entered a new phase of human progress—a time in which the acquisition of new implements of power too swiftly outruns the necessary adjustments of habits and ideas to the novel conditions created by their use."—CARL BECKER, *Progress and Power* (Palo Alto, Calif., 1936), p. 91.

II

IMPERIALISM

X

THE DYNAMICS OF IMPERIALISM

LATE in the past century the Great Powers experienced a curious recrudescence of the mania for empire building. States which had been absorbed for many decades in searching for a solution to pressing domestic and continental problems suddenly shook off their indifference to the outside world and joined in a general scramble for overseas possessions. New international alignments were produced, and bitter rivalries engendered tensions which were destined to play no small part in the fateful catastrophe of 1914. While the rush for colonies was in full swing, archives were searched for treaties which conferred half-forgotten rights, historical interests and claims were refurbished, and popular enthusiasm, adroitly fanned by powerful interested groups, flamed high with an intensity which melted away many a statesman's inherent caution. Within the limit of two feverish decades, a hundred and thirty-five million inhabitants of the non-white world accepted, under the stimulus of gold, gimcracks, or gunpowder, the doubtful blessings of white domination. Clearly, it was one of the outstanding phenomena of the nineteenth century—this frenzied extension of power—and its inevitable repercussions seem likely to constitute one of the most persistent problems of the twentieth.

As the term is used in this chapter, imperialism refers simply to the policy whereby one state extends its political or economic power, or both, over another region with or without the consent of the inhabitants thereof. From time to time attempts have been made to limit the term more closely and to characterize only certain types of empire building as imperialism, but these have tended to produce confusion rather than clarity. For that reason they are of little practical interest except to the professed expert in the field of international affairs.

Imperialism, in this broad sense of the term, did not become a general practice among the great powers until about 1880. It is true that England had steadily reënforced her position in India throughout the middle years of the century, but, at the same time, she had given responsible government to Canada and she had granted independence to the two Boer republics of South Africa. Industrially, commercially, and financially, England reigned

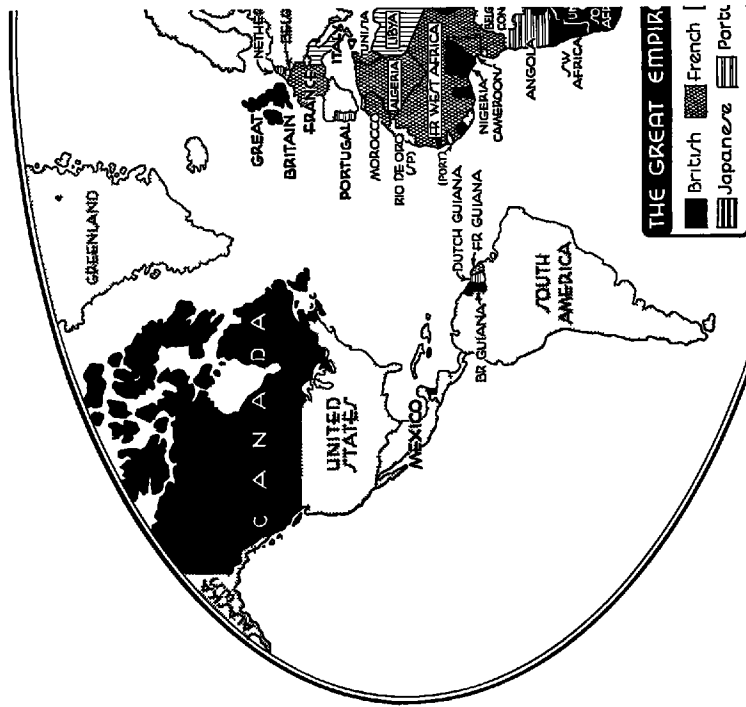
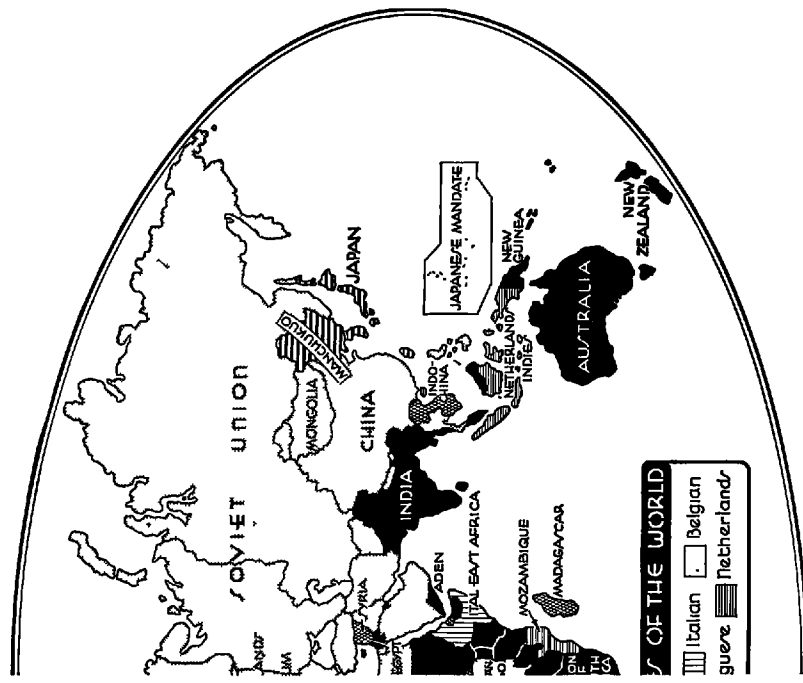


FIG. 10.—THE GREAT
 From *In Quest of Empire*, by W. C. Langsam. Copyright,



EMPIRES OF THE WORLD.
 Foreign Policy Association, 1939. Reproduced by permission.

supreme. In London, and especially in "the City," there was a general belief that colonial possessions were a distinct liability rather than an asset. Under the influence of the Manchester economists and the beneficent prosperity produced by English predominance in the factory system, it is little wonder that thinking Englishmen, statesmen, financiers and industrialists alike, tended to believe that the future of Britain lay in free trade and a sound industrial development rather than in further imperialistic ventures.

At the same time, though for somewhat different reasons, the continental European states gave little attention to the possibility or desirability of overseas expansion. Until 1870, the German and the Italian states were absorbed in the difficult process of unification. Except for a brief adventure in Mexico, France was wholly occupied with the maintenance of her continental position and with the troublesome problem of a satisfactory internal political structure. Spain was exhausted, her erstwhile empire lost forever. The Austro-Hungarian monarchy was struggling to maintain control over its congeries of citizens who were becoming more and more restive under the impact of the heady nationalist doctrines of the time. To add to their difficulties, all these states were preoccupied with the complexities of continental political alignments and with the persistently troublesome problems of the Balkan area. There was no time to think about imperialism.

Outside Europe, two potentially great powers, the United States and Japan, had as yet little thought of the policies which were later to be termed imperialistic by those who opposed them. The United States was completely engrossed, first in the Civil War and its aftermath, and later in the occupation and development of the vast continent to which it had fallen heir. Japan was engaged in the process of emerging from the isolation which had kept the Island Kingdom so long apart from the main currents of Western political affairs.

By the end of the first seven or eight decades of the century many of these difficulties and preoccupations had been overcome. When once the great powers did turn to imperialism, the territorial gains which they secured were startling. Of all the powers, Great Britain entered the competition with the greatest advantages, for, more than any other state, she had managed to preserve intact a large part of her empire through all the decades of upheaval after 1760. Moreover, she had added, from time to time, a respectable number of new dependencies, such as Cape Colony, Natal, Gibraltar, and Aden. Also, she had a navy which could make her will quickly effective in distant portions of the globe and she had an immense amount of capital available for foreign investment. With all these advantages it is not surprising that she succeeded, in the thirty years following 1875, in increasing her Empire by more than three million square miles,

an area thirty-five times the size of the British Isles. At the present time, more than twelve million square miles of the earth's surface is under the British flag, although 65 per cent of this territory is no longer ruled from London.¹ The territory of the United Kingdom is only 0.8 per cent of the total Empire. The total population of this vast Empire is more than 500 millions, a number twelve times greater than the population of the British Isles.

The growth of the French Empire was almost as spectacular. During this great period of expansion, 1875-1910, the French flag was extended over more than four million square miles, nearly fifteen times the area of the mother country. Over fifty million subjects were thereby added to *la France d'outre-mer*. Today, the French Empire covers 4.5 million square miles with a total population, including metropolitan France, of nearly 110 million persons.

Gains made by certain other states were likewise impressive. By the acquisition of the Congo, Belgium more than doubled its population and increased its area by eighty times. Even Germany's colonial acquisitions during this period enlarged its area by five times and added some 20 per cent to the population. For the time being Italy had to be content with the barren Somali coast in East Africa and the even more barren colony of the Eritrea, but even these first fruits of a barren imperialism nearly trebled her size.

After the turn of the century the process slowed up perceptibly. Virtually all of Africa had been partitioned. Of the remaining portions, Libya fell to Italy in 1911, and the Sultan of Morocco accepted a French protectorate in the following year. In all of Africa only Liberia and Ethiopia remained as independent areas, while the status of Egypt continued in doubt. The islands of the South Seas had all been occupied. The Far East had escaped a threatened partition but Korea had come under Japanese rule and large portions of China were controlled in one form or another by the great Western powers. In the Caribbean, the determination of the United States to maintain a dominating position had frustrated possible European expansion, while, in the Near and Middle East, Anglo-Russian rivalry prevented further complications and forced the agreement of 1907. Imperialism came to a halt when, and only when, there were but few lands left to acquire.

The net result of all this empire building is impressive in the extreme. The following table indicates the situation as it exists today.

¹ For statistics on world empires, see Grover Clark, *The Balance Sheets of Imperialism* (New York, 1936), *passim*. Also Royal Institute of International Affairs, *The Colonial Problem* (London, 1937), Appendix I.

TABLE IX

TOTAL AREA AND POPULATION OF THE COLONIES, PROTECTORATES, AND MANDATED TERRITORIES
OF THE METROPOLITAN POWERS ²

Powers	Area (in sq. miles)	Population (latest estimate)
United Kingdom.....	2,375,000	61,500,000
Union of South Africa.....	317,700	359,500
Commonwealth of Australia.....	183,500	785,500
New Zealand.....	1,200	67,700
France.....	4,502,500	63,552,000
Netherlands.....	793,280	64,697,000
Japan.....	101,400	29,280,000
United States.....	711,500	14,143,900
Belgium.....	941,860	12,900,000
Portugal.....	807,900	8,720,000
Italy.....	924,800	2,485,000
Spain.....	129,000	1,005,000
Denmark.....	120,820	17,000
Norway.....	24,294	1,000
Condominium		
Anglo-Egyptian.....	1,008,100	5,728,000
Anglo-French.....	5,700	60,000
TOTAL	12,948,554	265,301,600

THE FORCES OF IMPERIALISM

Many observers have attempted to explain this sudden and sharp reversal of policy in Europe. Those with a bent toward a broad philosophical point of view have dismissed it as a simple manifestation of the age-old principle that the strong must dominate the weak. As they view it, modern science has equipped the strong states with an impressive array of new and formidable weapons with which to forge the chains of servitude around their weaker brothers. For states possessing these weapons, the urge to use them has been overpowering, especially since they could be used against a smaller or poorly equipped foe without any great cost or danger. (Other observers have regarded imperialism as a verification of the organic theory of the state, i.e., that a healthy and vigorous state, like any other healthy and vigorous organism, must pass through a prolonged period of growth. Territorial expansion is thus to be regarded as a sign of virility, an indication of youth and health. The obvious menace inherent in this second point of view is that a ruler who believed it, or who professed to believe it, might

² Royal Institute of International Affairs, *op. cit.*, p. 9. This table excludes the British Dominions, India, Southern Rhodesia, and the French mandate in Syria.

use it as a justification of a policy of territorial aggrandizement, pointing out to his people that this was merely a concrete demonstration of the rebirth of national vigor achieved under his rule. In the words of Signor Mussolini, "Fascism sees in the imperialistic spirit—i.e., the tendency of nations to expand—a manifestation of their vitality. In the opposite tendency, which would limit their interests to the home country, it sees a symptom of decadence. Peoples who rise or re-arise are imperialistic; renunciation is characteristic of dying peoples. The Fascist doctrine is that best suited to the tendencies and feelings of a people which, like the Italian, after lying fallow during centuries of foreign servitude, is now reasserting itself in the world."³

The Marxists explain the phenomenon of imperialism in an entirely different fashion. The classical Marxian analysis is that of Lenin, who devoted a long essay to the subject.⁴ According to his diagnosis, imperialism is a definite stage, in fact the last stage, reached by capitalism in its evolution. As capitalism reaches an advanced stage, the increasing concentration of production control destroys free competition and replaces it with an ever-growing monopoly in which the reins of control are held by finance-capital. This monopoly seeks to extend and reënforce its power by acquiring control over distant markets, distant sources of raw material supply, and fields for investment opportunity. Thus, in this final "dying" stage of capitalism, imperialism represents the inevitable conflict between national monopolies which are struggling to become international.

There are elements of truth in all these approaches to the problem, but no one of them is complete in itself. At best, imperialism is a complex phenomenon resulting from the combination at a particular time of divers economic and noneconomic forces. Any purported analysis which stresses some of these to the exclusion of others is bound to give an incomplete picture. That is the weakness of the Marxist approach. Characteristically, it minimizes or entirely overlooks the noneconomic forces which in many instances were distinctly important. Likewise, the stubborn facts of modern economic history cannot be fitted into the symmetrical perfection of Marxist theory without serious distortion. Imperialism was practiced by states in which capitalism had not even approached a monopoly stage. Where money was available for foreign investment, it was placed where revenue opportunities seemed most inviting. England, France, Germany, and the United States have all invested far more funds in noncolonial areas than in the regions where the flag of the mother country has been planted.⁵ Clearly,

³ B. Mussolini, *Fascism, Doctrine and Institutions* (Rome, 1935), pp. 30-31.

⁴ N. Lenin, *Imperialism* (American edition, New York, 1929). Lenin was undoubtedly influenced by J. A. Hobson whose famous work, *Imperialism, A Study*, appeared in 1902. On this, see W. L. Langer, "A Critique of Imperialism," *Foreign Affairs*, October 1935.

⁵ See W. L. Langer, *op. cit.*, for a discussion of this point.

it is best, in studying imperialism, to reject all simple explanations and to concentrate upon the various motives and forces each of which contributed something to the process.

Of all these factors, those which are economic in character, using that term in its broadest sense, are undoubtedly the most important and their manifestations have been the most divergent. Among these, the search for larger market opportunities deserves to be considered first. In the middle years of the nineteenth century, England still enjoyed such industrial predominance that foreign tariff barriers did not seriously disturb her world-wide market. Also, this was a period of tariff stability and, thanks in part to the effects of the Anglo-French commercial treaty of 1860, there was a tendency for the tariff levels of some states to decline. But this condition could not, and did not, last. The 1890's ushered in a period when tariff levels began to rise sharply. Other states envied the prosperity of England and they attempted to foster their own industrial development by protecting their growing industries behind higher tariff walls. This general trend toward the dispersion of industrial production and the accompanying trend toward greater protectionism came at a time when, as a result of technological improvements, industrial units were steadily increasing in size and output and were thus in need of constantly widening market opportunities. This spectacle of growing competition and new trade obstacles was of special concern to Great Britain because it produced an almost immediate and serious industrial depression. So serious was this depression that a Royal Commission was appointed in the early 1880's to examine the causes and to suggest possible remedies. In its final report, this Commission gave a sharp warning to British producers, saying:

We think also that the increasing severity of the competition of foreign countries is a matter deserving more serious attention than it has received at the hands of our commercial and industrial classes. We cannot, perhaps, hope to maintain, to the same extent as heretofore, the lead which we formerly held among the manufacturing nations of the world. Various causes contributed to give us a position far in advance of other countries, which we were well able to hold for many years; but those causes could not have been expected to operate permanently, and our supremacy is now being assailed on all sides.

But if we do not possess to their full extent the same natural advantages as we formerly enjoyed, we have still the same physical and intellectual qualities which gave us so commanding a lead; and we see no reason why, with care, intelligence, enterprise, and thoroughness, we should not be able to continue to advance.

In order to do so, however, it is obvious that we must display greater activity in the search for new markets. . . .⁶

⁶ *Report of the Royal Commission to Inquire into the Depression of Trade and Industry.* Cmd. 4893 (1886), p. 24.

Even more emphatic was the dissenting report filed by a number of members of the Commission. This report said in part:

It is, of course, out of our power to obtain more free access to the protected markets of countries like the United States, France, and Germany themselves. In past years we had little occasion to regret this, or to trouble ourselves about it. Their course of action did not harm us so long as we were able, in spite of it, to obtain full employment for all our available labor. To buy everything in the cheapest market—though not permitted to sell in the dearest—may be the best policy, so long as we can find other full and equally remunerative employment for the home enterprise and industry which we displace in so doing. But no longer; for, from the moment in which the combined effect of protective tariffs abroad and foreign competition at home limits our market so as to cramp the full and free exercise of our industries, it begins to choke the living fountain of our wealth, our social well-being, and our national strength. We think the evidence is conclusive that during the past ten or twelve years that point has been reached. . . .

. . . Our command of the fiscal arrangements of India has saved the industry of Lancashire from the calamity which must have overwhelmed it, had this great empire come under the control of a commercial policy like that of Russia or the United States. And the growth of our colonies, with their very large consumption per head of British manufactures, has helped all our industries to endure with less suffering the stifling pressure of foreign tariffs.⁷

Under these circumstances, it was but natural that British producers should have begun to think of the possibility of a solution along the lines hinted at in the paragraphs cited above, i.e., the development of market opportunities in those areas where industrial development had not yet occurred and was not likely to occur for some time in the future. Thus it is understandable that the members of the Manchester Chamber of Commerce should have applauded Henry Stanley's glowing description of the vast amount of cotton cloth which would be needed to clothe the nakedness of the Congolese negroes.⁸ Thus, too, German industrialists sought to impress upon the reluctant Bismarck the need for an aggressive colonial policy in order to safeguard the expanding market needs of German industry.

Industrial producers, moreover, were now able, for the first time in history, to offer heavy and bulky goods in distant markets at prices which were reasonable enough to command a wide sale. The application of steam power to land and sea transportation had made this possible. Sailing vessels had been small and slow, not appreciably larger in the early nineteenth century than they had been three hundred years before. Steam power reduced the time of ocean transportation from a matter of weeks, as in the case of the Atlantic crossing, to a matter of days, and, after 1869, the trip from

⁷ *Ibid.*, p. lxvi.

⁸ See P. T. Moon, *Imperialism and World Politics* (New York, 1926), p. 66.

Europe to the Far East and southern Asia was shortened by the Suez Canal. This alone reduced the trip from Plymouth to Bombay by 4300 miles. Also, steam increased the size of ships. The tonnage under British registry increased by 150 per cent from 1850 to 1900, but the carrying power was multiplied sevenfold.

Now that manufacturers needed new markets and were able to supply them quickly and cheaply, why did they feel that the extension of political control over the areas in question would be of material assistance? The answer seemed obvious. Adopting a kind of neomercantilism they accepted the slogan that "Trade follows the flag." There were fewer money exchange difficulties in dealing with political dependencies. Because political control would bring these areas within the customs frontier of the mother country, or would at least ensure a measure of tariff preference, manufacturers could obtain an important economic advantage over foreign competitors. Moreover, as colonists and administrators migrated to the dependencies they would take with them their established buying habits and, in ordering goods, they would quite naturally favor products from the mother country. In these ways, the producers at home hoped to monopolize the colonial import market and, as the colony prospered and the living standard of the native inhabitants was raised, this "fenced-in" market would increase correspondingly in importance. Industrial expansion could thus be continued and a satisfactory future assured. It was Jules Ferry, the great French imperialist, who warned his fellow countrymen that "the protectionist system is a steam engine without a safety valve unless it has, as an auxiliary and a corrective, a sane and serious colonial policy. . . . European consumption is saturated; unless new consumer groups can be developed in other parts of the globe modern society will be bankrupted, and the dawn of the twentieth century will bring a cataclysmic social liquidation of incalculable consequences."⁹

Many of these same considerations applied to the new problem of raw materials. As industry benefited from the developments produced by scientific research, it found itself ever more dependent upon a new array of essential raw materials. And no state, particularly no European state, possessed within its own frontiers anything like an adequate supply of these. Indeed, as has been pointed out in an earlier chapter, many of these raw materials were not to be found at all in Europe. Oil was needed, and rubber, and vanadium, and molybdenum, and half a hundred others. Moreover, for the industrial states there was the additional problem of a new demand upon the raw materials which they did possess. Reserves of the basic minerals which would have been adequate for a moderate degree of industrialization were hopelessly inadequate for the great drain to which

⁹ Jules Ferry, *Le Tonkin et la Mère-Patrie* (Paris, 1890), pp. 42-43.

they were now subjected. To meet all these needs there was only one answer and that was the importation of foreign raw materials.

The development of modern industrial society and the tremendous growth of population which accompanied industrialization in many states created, along with the need for raw materials, a new need for imported food supplies, not merely the exotic foods which could not be produced domestically because of climatic difficulties, but staple foods as well. States such as Great Britain, Belgium, the Netherlands, Germany, and Japan have had certain staple food deficiencies for many years. Great Britain is outstanding in this respect. As the British industrial system developed and the shift from farm to factory took place, the dependence upon imported foodstuffs increased rapidly. This is shown clearly by the following tables:

TABLE X

NET FOOD IMPORTS INTO GREAT BRITAIN ¹⁰

(£ millions)

1855	50
1860	76
1865	81
1870	102
1875	155
1880	179

TABLE XI

INCREASE OF IMPORTS OF CERTAIN STAPLES

(Percentage of increase, by volume, in the years 1880-84 as compared with the years 1865-69)

Wheat	93.2
Corn	146.2
Sugar	76.0
Bacon	448.3

This growing dependence upon external supplies of food and industrial raw materials was unquestionably a force which favored imperialism. The extension of political control over regions from which these things could be procured would insure a measure of security, provided, of course, the military power of the parent state was adequate to protect effectively the continuous flow of imports into the mother country. If this were true, then the mother country would be assured a steady supply irrespective of the outbreak of war or of changing market conditions. It is obvious that these considerations would influence statesmen and industrialists alike, for dependence upon purchase in the open market might leave the state crippled and helpless if and when, as in time of war, the ordinary source of supply might be completely cut off. Also, there was the added attraction that the extension of political control would make it possible to procure these supplies without foreign exchange difficulties. In prewar times this consideration was of comparatively little importance but it was to become a major item in the postwar German demand for the return of her former colonies. Finally, there was the possibility that, in some cases, political control would ensure the procurement of foodstuffs and raw materials at a reduced cost. This argument probably was not of any great moment in the heyday of

¹⁰ *Report of the Royal Commission to Inquire into the Depression of Trade and Industry*. Cmd. 4621 (1886), pp. 130, 132.

imperialist expansion but, in the more recent period when cartels or other types of production control have been instituted, it is an argument which has not been without a certain natural appeal to the so-called "Have-Not" states.

The development of markets and the exploitation of supplies of raw materials require the expenditure of considerable sums of capital. Until the latter part of the past century, no state possessed supplies of liquid capital greatly in excess of its domestic needs. Although money had been invested abroad, the flow had not become important or striking. But industrial profits were increasing, particularly in Great Britain, to the point that money was cheap and investors could therefore anticipate a higher return from exported capital than from that which was invested at home.¹¹ In one sense this meant that the fuel which supplied the motive power for economic imperialism was increasingly available at the time when it was most needed. It meant, too, that, potentially at least, another powerful group was interested in the process of territorial expansion. It is true, as has already been pointed out, that external investments were placed wherever the income opportunities were most attractive, but it is also true that the investing groups tended to favor imperialism. Political control would involve a measure of preference over foreign investor competition and, more important still, it would afford a greater measure of security to the investor. In other words, protection over the investment, i.e., security against a cavalier repudiation of external financial obligations or security against a loss due to the impotence or instability of a weak native government, might be obviated or lessened by the fact that the flag of the mother country floated over the region.

Thus far, there has been little in this account of the search for markets, raw materials, and investment opportunities which would be objectionable to any believer in economic determinism. But this is not the end of the story, for any analysis which stopped at this point would be ludicrously incomplete. There are other aspects of the imperialist process which are rather more directly political than economic in character. It is undeniable that imperialist statesmen have been impressed by these alleged economic advantages, but they have also been moved by other considerations, chief among which is the power and prestige of the state. However irrational such a criterion may be, the size of a state is generally regarded as one of the chief components of its power. To be a Great Power, in the accepted sense of the term, a state must have the ability to make its voice respected in international affairs. Invariably, its ability to do so is enhanced when its interests are far flung; when its statesmen represent an empire of im-

¹¹ For a discussion of prewar capital exports, see Chap. XIII. Consult also H. Feis, *Europe, the World's Banker, 1870-1914* (New York, 1930), pp. 23, 47, 71.

pressive proportions. Expansion is usually equated to vigor, and empire to power. Hence, it follows that an ambitious statesman will seldom be averse to territorial expansion. This is particularly true when the state is already powerful but its power is still inferior to that of the front-rank powers. Prewar German and Italian expansion may, to some extent, be ascribed to this motive. The recent Italian conquest of Ethiopia is an excellent illustration of it. The Duce has striven ceaselessly to lift Italy to the position of a major power, and, as he has viewed the problem, a major power must be an imperial power.

Beyond this general lure of power there are specific political motives for expansion which are sometimes independent, sometimes auxiliary, to it. Foremost among these considerations are those which involve the existing and potential security of the state. Many a statesman has defended a particular case of territorial expansion on the ground of national defense. In its inception at least, the development of Japanese control over Korea was motivated by the fact that Japan believed she could never feel secure if Korea, "the dagger pointed at the heart of Japan" should pass into the hands of an aggressive foreign power, such as Russia. On what other grounds can one explain the American purchase of the Virgin Islands? They bore no immediate relationship to the defense of continental United States but, as an approach to the Panama Canal, their strategic value was great indeed. Similar considerations were advanced by Australia as a justification for her insistence upon the New Guinea mandate.

Sometimes this security motive has led states to demand expansion in order to obtain control over "natural" frontiers. It was for this reason that, at the end of the war, Italy demanded not only the cession of the Irredentist Trentino but of all the Austrian Tyrol up to and including the Brenner Pass. Sometimes, too, it is for the purpose of securing control over a strategically important line of communications. The continuing contest between Italy and Great Britain for supremacy in the Mediterranean is a case in point. For the same reason, one must examine the present alliance between Great Britain and Iraq, not merely as a proper complement to the fulfilment of Britain's former mandatory responsibilities, but also in terms of Iraq's importance as an air base on the British route to India. The French interest in the outcome of the recent Spanish "civil" war is similarly to be explained, at least in part, by the fear that the Balearic Islands might fall into the hands of a potentially hostile power, thus endangering French sea communication with her important possessions in north Africa.

One further strategic aspect of expansion deserves passing mention. If the regions in question are populous, they may furnish valuable military assistance to the mother country. It is needless to comment upon the valuable aid of this kind rendered by India and the Dominions to Great Britain

during the World War. Although this consideration was not involved originally in the period of great imperial expansion, it is a factor, as in the case of present-day France, which has caused many present-day statesmen to become enthusiastic believers in the supreme importance of empire.

It would be inaccurate to conclude that imperialism has been, and is, a policy foisted upon a credulous public by a combination of statesmen and industrialists. Many individuals and groups who have had no economic stake in expansion and who, in all probability, would not be greatly moved by considerations of security have been, nonetheless, ardent imperialists in this heyday of expansion before the World War. Some of these were moved by religious motives. The nineteenth century was a period of great missionary interest and activity, particularly among the Protestant Christian sects.¹² It was possible, of course, for missionaries to carry on their labors in areas which were not under European political control, but the hazards were great and some of the leaders, such as Bishop Hannington, suffered a cruel martyrdom at the hands of hostile native rulers. The missionaries were fully alive to their dangers and, at times, they called upon their home government for aid and protection, a request which sometimes eventuated into a decision to annex the region in question. The appeal of the *Gesellschaft der Rhenischen Missionen* and the resulting establishment of the German colony of southwest Africa well illustrates this point. In other cases, missionaries used their influence with native rulers to urge the latter to request the home government to assume a protectorate over their territories.¹³ Even where missionary influence was not directed actively toward annexation, the establishment of mission stations introduced European clothes and customs and thus paved the way for the ubiquitous trader. At home, those who were interested in the work and who listened to sermons by returned missionaries became easy converts to a policy which, to them, was clothed with all the sanctity of a spiritual mission. It can be argued that imperialism and its attendant evils tended subsequently to injure the work of the missions, but it cannot be denied that, at times, the flag did follow the cross.

A second factor was the ebullient nationalism of the time. Not only did this exaggerated sentiment lead to a defense of expansion as a means

¹² There were only 7 Protestant missionary societies in existence in 1800 and 4 of these had been established within the preceding decade. These societies maintained in the field only 170 workers. By 1880, there were more than 70 organizations, possessing an estimated annual income of £1,250,000. These societies maintained 2400 ordained workers in the field and supported more than 12,500 mission schools. Cf. T. Christlieb, *Protestant Missions to the Heathen* (English edition, London, 1882), pp. 7-9. Also the *Missionary Year Book* (London, 1889), *passim*.

¹³ Cf. K. L. P. Martin, *Missionaries and Annexation in the Pacific* (London, 1924), *passim*.

of securing a "place in the sun," with all the vicarious grandeur which that term conveyed to the ardent nationalist; it also fused with the missionary impulse to create a strange hybrid, the concept of the "White Man's Burden." It has been pointed out that nationalism carried with it a firm belief in the superiority of one's national group. From this conviction, it was only a step, and a short one, to the belief that it was the duty of the advanced races to carry the blessings of their civilization to the backward peoples. This was *la mission civilisatrice*, this obligation to rule the retarded peoples in order to lift them to a higher level of enlightenment. And it was more than an obligation! It was the manifest destiny of the white race.¹⁴

One corollary of this concept of manifest destiny was occasionally advanced as a further justification of imperialism. Those persons, missionaries, doctors, administrators, and colonists, who emigrated to the dependencies would not only carry the blessings of civilization to the land; their departure would serve to relieve the growing population pressure at home. It has already been shown how, during the nineteenth century, many European and some non-European countries experienced an alarming increase in population. Those who were alarmed over this trend, and who foresaw that if it should continue there would be a serious pressure of population upon means of subsistence, were often in favor of imperialism as a means of reducing the pressure. Since the emigrants would continue to live beneath their country's flag, they would not be lost but would continue to be a valuable part of the expanded state. This is a doctrine which appeared frequently in the Italian press at the time of the Ethiopian crisis.

When one adds together these various influences and the groups of citizens who were affected by them, one begins to perceive that imperialism was, and is, an exceedingly complex phenomenon. It is a strange blend of economic pressure, diplomacy, sincere humanitarianism, and distorted nationalism. It has been productive of much that is good and much that is evil.

¹⁴ Speaking in the American Senate on the acquisition of the Philippines, Senator Beveridge said: "God has not been preparing the English-speaking and Teutonic peoples for a thousand years for nothing but vain and idle self-contemplation and self-admiration. No! He has made us the master organizers of the world to establish system where chaos reigns. He has given us the spirit of progress to overwhelm the forces of reaction throughout the earth. He has made us adepts in government that we may administer governments among savage and senile peoples."—*Congressional Record*, Vol. XXXIII, Part 1, p. 711.

Cf. also the speech on the same subject by Representative Sibley (Pa.). "We go forth with the ploughshare and the pruning hook; with the Bible and spelling book. From the jungle and from the hill-tops will float the banners of freedom over countless school-houses; we go to lift up cellar hatchways and let out fetid poisons and miasmatic vapors; we go forth not to pillage temples, but to erect them; not to stifle liberty, but to give nobler ideals of liberty; not to forge fetters, but to break them. . . . We have a mission to perform, a destiny to accomplish."—*Ibid.* (56th Congress, 1st session), p. 1408.

THE TECHNIQUES OF IMPERIALISM

No single formula can explain the process of imperialism. The methods by which control was established over the savages of Africa would scarcely suffice for the ancient civilizations of Asia. In general, however, one may distinguish between colonial, or direct, imperialism and the non-colonial, or indirect, type. The former was adapted only to the conquest of regions where native governments were nonexistent or were so weak that they could be disregarded or easily subjugated. Most of the African exploitation was of this direct, colony-founding kind. The process varied but it began, usually, with an explorer-agent who was sent into a region, sometimes by a private chartered company formed as a speculative venture, sometimes by government order. Occasionally, he was a self-appointed zealot who looked upon himself as a proconsul of empire. This agent made contact with the paramount chief of a region, gave him trinkets, and ultimately induced him to smear his mark upon a form treaty which transferred to the company or government full political control over his domain. Absurd and reprehensible though it was, this farcical procedure was accepted by the home government as conferring a legal title. There is little doubt that, in many cases, the native chief signed the paper without the slightest notion of the significance of his act. At best he must have regarded his signature as a gesture of friendship toward a white chief who, having learned of the existence and importance of his dusky colleague, had dispatched a personal emissary laden with gifts.¹⁵

¹⁵ Typical of these agreements is the following resolution signed 29 April 1883 between five native chiefs of the Western Congo and the agents of the *Comité d'Études*, the organization which laid the foundations for the Belgian Congo:

"We, the undersigned chiefs of the district of N'Kamo, of Kuiswangi, of Kimpe, and of all the districts extending from the river Congo to Leopoldville and to N'tamo, up to the river Lutess and the mountains of Sama Sankori, have resolved to put ourselves, as well as our heirs and descendants under the protection and patronage of the *Comité d'Études* of the Upper Congo, and to give power to its representative at Miamo to regulate all disputes and conflicts that may arise between us and foreigners of whatever color residing out of the district or territory of N'Kamo in order to prevent strangers, animated by wicked intentions or ignorant of our customs, from exciting embarrassments or endangering the peace and security and independence which we now enjoy.

"By the present act we also resolve to adopt the flag of the *Comité d'Études*, as a sign for each and all of us that we are under its sole protection.

"We also solemnly and truly declare that this is the only contract we have ever made and that we will never make any contract with any European or African without the concurrence and agreement of the *Comité d'Études* of the Upper Congo. To the above resolution we freely put our marks."

NGALIEMA, his X mark

MAKARI, his X mark

, NUMBI, his X mark

MANWALE, his X mark

NYASKO, his X mark

—H. W. WACK, *Story of the Congo Free State* (1905), p. 489. Reprinted by permission of G. P. Putnam's Sons.

As has been indicated, the government seldom entered the picture at the outset. A single adventurer, Karl Peters, paved the way for German control over what is now the Tanganyika mandate. Private joint-stock companies took the initiative in such regions as Nigeria, East Africa, and Rhodesia. Whatever the way in which the process was initiated, the government was invariably led, first to assume an obligation to protect the *fait accompli* against foreign claimants and, ultimately, to effect the transfer of all political rights to itself.

Such a procedure involved only the simplest arrangements for native persuasion. It was assumed that gifts *plus*, if need be, a show of force would suffice, and suffice it did for the major portion of the African continent. There were other regions, however, in which such a summary procedure was obviously inapplicable. Some were inhabited by peoples who were politically weak, according to nineteenth-century power standards, but who possessed a culture and civilization so ancient or so well-developed that direct colonization was out of the question. Egypt, Persia, and China were of this type. Over them, control had to be effected in a variety of indirect ways. The simplest of these techniques of indirect control and one which was often the opening wedge for further expansion, was the so-called sphere of interest and influence. For divers reasons the imperialist power would regard a certain state, or a portion thereof, as an area in which its imperial interests were peculiarly important and, hence, one in which its political and economic influence must be dominant. Sometimes these spheres were, and are, not clearly delimited, as, for example, the existence of a recognized British sphere of paramount influence over the Arabian peninsula and the Persian Gulf, and the American sphere in the Caribbean. Sometimes, a measure of precision has been obtained by the familiar process of diplomatic bargaining. Typical of this was the famous Anglo-Russian agreement of 1907 by which each recognized that a fixed portion of Persia was to be regarded thereafter as a sphere exclusively under the influence of the other power. Similar bargains were struck a decade earlier concerning portions of China. The Anglo-Italian Agreement of 1925 concerning Ethiopia is a more recent illustration. It goes without saying that the existing government of the area or areas in question is never a party to these agreements—in spite of the fact that, when formally drafted, such agreements have almost invariably stated that their chief purpose was to safeguard the political independence and territorial integrity of the native government.¹⁰

¹⁰ Note, as an example, the following preamble to the Anglo-Russian agreement of 1907:

"The governments of Great Britain and Russia having mutually agreed to respect the integrity and independence of Persia, and sincerely desiring the preservation of order throughout that country and its peaceful development, as well as the permanent establishment of equal advantages for the trade and industry of all other nations:

"Considering that each of them has, for geographical and economic reasons, a special interest in the maintenance of peace and order in certain provinces of Persia adjoining, or in the

At times, in order to give a gloss of legality to the affair, some form of consent was secured from the native government. The nonalienation agreement is of this type. This is a formal promise that the native government will not, without the consent of the second power, alienate control over the area in question to any third power. In 1898, such a promise was elicited by Japan from China concerning Fukien province. In the same year, China made a similar agreement with France concerning the Island of Hainan.¹⁷

More positive in character is the leasehold. In return for certain considerations, or perhaps for none at all, a hapless government is requested to lease a certain area to the imperialist power. Such a lease is usually for a definite, long-term period. In 1897, Germany used the murder of two missionaries in China as a pretext to exact from the Chinese government a ninety-nine year lease of the port of Tsingtao. This was done because Germany wished to build a naval base in the Far East and this site had been selected by German naval experts. Similarly, Russia leased the southern tip of Manchuria in 1897, and both France and Great Britain promptly obtained leases on portions of the Chinese coast.

When one of the Great Powers exercises an unchallenged, though usually informal, domination over the political and economic life of a smaller state, such a relationship is customarily referred to as a semiprotectorate. During the last twenty-five years, the relations between the United States and a number of the Caribbean countries have been substantially of this kind. Essentially, this relationship involves a considerable measure of financial domination which is the outgrowth of large loans and investments together with a measure of commercial dependence, e.g., the Cuban dependence on the American sugar market and the banana market dependence of several small Caribbean states. Inevitably, such a situation leads to a policy of sporadic and informal political control manifested frequently by the appointment of experts and advisers to assist the native government out of difficulties. At times, when native governmental instability is so great as to threaten complete collapse or intervention by other governments, the powerful state may temporarily intervene in order to protect

neighborhood of, the Russian frontier on the one hand, and the frontiers of Afghanistan and Baluchistan on the other hand; and being desirous of avoiding all cause of conflict between their respective interests in the above-mentioned provinces of Persia;

"Have agreed on the following terms: [Text.]"—*British Parliamentary Papers*, Cmd. 3750 of 1908.

¹⁷ Similar in content was Article I of the famous Platt amendment which Cuba reluctantly signed at the request of the United States in 1904. It read as follows:

"The government of Cuba shall never enter into any treaty or other compact with any foreign power or powers which will impair or tend to impair the independence of Cuba, nor in any manner authorize or permit any foreign power or powers to obtain by colonization or for military or naval purposes or otherwise, lodgment in or control over any portion of said Island."—*U. S. Foreign Relations* (1904), p. 244.

its interests while the reorganization of native political institutions is being carried out. In such fashion the United States has intervened in Haiti and Nicaragua, has supervised customs collection in the Dominican Republic, and at times has virtually dictated the course of affairs in Cuba. The British position in Egypt from 1882 to 1914 provides a further illustration. In some respects at least the same is true of the Japanese relation to the government of Manchukuo, though control seems there to be more continuous and far reaching than is customarily the case.

The most formal type of an indirect imperialistic relationship is the protectorate. This is achieved when through force or persuasion, or both, a ruler is induced to sign a treaty placing his country under the protection of the other state. In an established protectorate the general mechanism of native administration remains undisturbed, at least as far as its superficial appearance is concerned. In actual fact, native officials are usually "advised" on all important matters by agents of the "protecting" government. These agents are more or less permanently attached to the administrative offices in question. Conduct of foreign relations is entirely transferred to the protecting power, and, if there is a native cabinet, the chief local representative of that power serves as Minister of Foreign Affairs. Such an arrangement has numerous advantages. The general populace is much less disturbed than if it were administered directly and wholly by foreigners. Native customs and traditions can be more easily observed and for obvious reasons administrative costs are much lower, at least to the protecting state, than under a system of direct colonial control. France has protectorates over Tunis and Morocco and the relations between Great Britain and many of the Indian native states are of this type. As a further example, one might cite the relations between the United States and the Commonwealth of the Philippines. Although not officially termed a protectorate, this arrangement, scheduled to terminate in 1946, is such in almost every respect. The first extension of the "protectorate" system over a portion of the white race occurred in March 1939 when Chancellor Hitler forced Bohemia and Moravia to accept the "protection" of the German Reich.

XI

IMPERIALISM: AN APPRAISAL

EVER since 1914, it has been generally agreed that the international rivalries of the imperialist period contributed materially to the outbreak of the World War. It was wholly natural, therefore, that in the aftermath of that catastrophe people should have wondered if empire which was purchased so dearly was worth while. These reflections have led many students to attempt to evaluate the results of imperialism in terms of the great benefits which, half a century ago, were supposed to flow from it. Enough time has now elapsed since the heyday of expansion to permit the collection and collation of pertinent statistics and the partial calculation of long-time trends. Consequently, there is now available enough material to enable us to reach some conclusions of importance. These findings throw light, not only on the validity of the motives discussed in the previous chapter, but upon the correctness of the various theoretical analyses of the process as well. It is true that these conclusions are subject to numerous qualifications, but, in view of the multifarious nature of the problem, a surprising degree of unanimity has been reached by nearly all investigators.

IMPERIALISM AND THE NATIVE RACES

It seems appropriate, first of all, to examine the results of imperialism to the subject peoples. How have their lives been affected? Have they gained more than they have lost? To what extent has their welfare been a consideration, or the prime consideration, of their rulers? The basic economic aspects of this problem must be examined before the social and political items which figure upon the balance sheet.

No one can deny that nearly all dependencies, whether they are directly or indirectly controlled by the mother country, have received a number of material benefits which must be taken into account. For example, dependencies have generally been equipped with the (mechanical paraphernalia of Western civilization) far sooner than if they had been compelled to wait until they could have secured these "benefits" by their own initia-

tive and from their own resources. Colonies and other imperialistically controlled areas have railways, bridges, good roads, improved harbor facilities and, in case of some urban communities, public utilities which they did not have before and, in all probability, would not have today had they been left to their own devices.

In the more backward areas, where imperialism has been colonial in character, there has been an effort to improve the lot of the native by teaching him to be a more successful producer. Handicraft production has been adroitly directed into channels which will find a larger foreign market. The anthropologist may lament the concomitant loss of certain native skills but, measured by the criterion of income, it is better for the native to weave patterns and to fashion articles which can be sold than ones which, however much more authentic as an example of tribal culture, cannot find a market. Likewise, in the field of agriculture, natives have been taught improved methods of stock breeding and crop cultivation.¹ They have been provided with new animal strains, new types of crops, specially adapted to local climatic conditions, and they have been taught how to take effective action to rid their crops and their livestock of the diseases and pests to which they have been subject. (The battle in Africa against cattle fever is an excellent illustration of this.¹)

These material benefits have been complemented by the expansion of market facilities for all colonial products.) This, in turn, tends to bring about a decided increase in the native standard of living. Naturally, the amount and importance of this increase are far from uniform. Where the colony is based on a system of white plantations with poorly paid native labor, the native standard, as a rule, is not benefited as much as in those dependencies in which the land is held and worked directly by the natives

¹ Cf. the following excerpt from a recent British government report concerning the Gold Coast:

"Cattle plague (rinderpest) still appears in natural outbreaks among young unimmunised cattle and during the year several isolated foci appeared. So susceptible are the small unhumped Western African Shorthorn cattle of the Gold Coast to this disease that it has been found impossible to guarantee the security of the Tamale reserve, where twenty thousand unimmunised cattle were kept for laboratory purposes in connection with the manufacture of anti-rinderpest serum. It has now been necessary permanently to immunise these cattle and the present position is that all the cattle of the Gold Coast, save those which are two years old or younger, are permanently immune to rinderpest. . . .

"Contagious Bovine Pleuro-Pneumonia . . . has been prevalent. There were a number of outbreaks but they were reported so quickly by the people and dealt with so promptly by veterinary staff that only one . . . caused heavy mortality. These scattered frequent foci . . . made heavy demands on the professional staff. . . . Fortunately, the department's laboratory has been able to produce large quantities of a thoroughly efficient vaccine . . . Over thirty thousand cattle received vaccine in this way. . . . Pleuro-pneumonia vaccination has been made a routine at all immunisation camps. . . ."—*Annual Report on the Social and Economic Progress of the People of the Gold Coast, 1936-37*. Colonial, No. 1836. (London, 1938), pp. 26-27.

themselves.² In some cases where (special products which command a ready sale on the world market are raised on native farms, the resulting increase in living standards is striking.) The production of cocoa in the British colony of the Gold Coast, and of palm-kernel oil in Nigeria, provides a striking illustration of this. In many instances, this expanded native welfare is due almost entirely to governmental action. The cotton situation in the Gizireh district of the Sudan is a case in point.³ There, native land rights have been carefully safeguarded, expropriation has been limited, and a large company, the Sudan Plantations Syndicate, has been formed to manage crop production and marketing over an area of some 300,000 acres. The government supplies water and receives 35 per cent of the gross yield. Native cultivators receive 40 per cent, less ginning charges, but they may grow any other crops, tax-free, during the rotation periods. The syndicate takes the remaining 25 per cent for its share. In return, it arranges for seed, supplies cash advances to native growers, supervises cultivation and ginning, and assumes full charge of crop marketing. If properly managed, such a tripartite arrangement should tend to produce a prosperous peasantry.

Unfortunately, the economic picture is not always so bright as the foregoing paragraphs would indicate. (The early days of modern colonial imperialism were marred in some instances by the most reprehensible kind of exploitation.) This was true in particular of those areas in which governments, lacking funds and trained administrators, gave huge concessions to joint-stock companies established for that purpose. These companies exercised virtually complete sovereignty over the unfortunate natives within the concession areas. In the Belgian Congo, or rather, the Congo Free State as it then was, this abuse became a world-wide scandal. (White officers commanding native troops attempted to force villagers to gather wild rubber and ivory.) When adequate supplies were not forthcoming, shockingly brutal methods of intimidation were invoked. Torture, mutilation and mass murder were practiced with a savagery which would be unbelievable were it not attested by the official reports of missionaries and consular agents. Eventually, the protests of an aroused world forced the enactment of reforms but an ineradicably sordid page in the history of human greed had already been written.⁴

Even where a more enlightened policy has been followed, the problem of colonial development, particularly in Africa, has presented difficulties. These have arisen from the fact that development in the larger sense of the

² There is much controversy over the comparative value of native farms vs. the plantation system. See Royal Institute of International Affairs, *The Colonial Problem* (London and New York, 1937), pp. 149 ff.

³ See *Ibid.*, p. 160.

⁴ See E. D. Morel, *Red Rubber* (London, 1907), and *The Black Man's Burden* (Manchester, 1920).

term must be based on a plentiful supply of cheap labor. African natives are numerous enough but they have not voluntarily offered their services as hewers of wood and drawers of water for their white masters. This is scarcely surprising for their wants are few; they have little ambition to accumulate wealth; and, being unfamiliar with the Western wage system, they have never embraced the doctrine that there is dignity and virtue in labor for labor's sake. Virtually all colonial powers have faced the dilemma created by a need for labor, together with the presence of a potentially adequate but not readily available labor supply. In a few instances (Chinese and Indian labor has been imported into Africa) but these experiments were not successful enough to warrant continuation and the colonial powers⁷ fell back upon the task of making the native supply more easily available. This problem, of course, exists to the greatest degree in the eastern and southern portions of Africa where white immigrants have made permanent settlement. Governmental administration needs labor for road building and portage, while the white entrepreneur needs labor in order to operate his mines or his plantations. How to make the unwilling native fill these needs has been a major problem.

The answer has been found in a policy of persuasion which in some instances has been punctuated by force. In nearly all colonial areas, natives are required by law to contribute annually a certain number of days of unpaid labor for public purposes. In addition to this labor tax, many colonial governments have enacted legislation rendering natives liable to compulsory paid labor for public services. Thus, in portions of British East Africa, natives may be held to sixty days of such conscript labor a year. In Kenya and Uganda this may be done only for portage. If it is done for any other purpose the consent of the Colonial Office is needed. In most portions of Africa paid labor may be conscripted for certain purposes by the government by a simple administrative regulation.⁸ In French West Africa this has been regularized through the creation, in 1926, of a labor army. Natives called to the colors are divided into two groups, one to undergo three years' military training, the other to serve a like period as a labor force.⁹

This compulsory labor may solve the problem for government administrators, but it is of no value to white entrepreneurs who need a large and permanent supply of cheap labor. Various devices have been used to pro-

⁷ In French Equatorial Africa the construction of the railway from Brazzaville to the ocean was carried on by labor recruited by the government in the interior. The mortality among these native workmen from 1925 to 1929 was 17,000, a figure which evoked much hostile criticism. Cf. Foreign Policy Association Information Service, *Forced Labor*, Vol. V, No. 22 (1930).

⁸ On this, see International Labor Office, *Forced Labor, Report and Draft Questionnaire*, International Labor Conference, 12th session (Geneva, 1929).

cure such a labor supply. All too typical is the arrangement whereby a special recruiting agent induces the native to make his mark upon a labor contract. These contracts are then purchased by the entrepreneur and the native must serve out his time. It is only fair to add that in most colonies protective administrative regulations limit the maximum period for such contracts and set up minimum standards for the food supply and living conditions in cases where the natives are housed in compounds.

Even more common is the practice of coercing labor through taxation. No one can argue against the contention that a native should be taught responsibility and that a just tax is a reasonable method to obtain it. If native taxation would be limited to that, it would have few critics. The difficulty is that a heavy hut or poll tax is almost infallible as a method to force a native to go to work for a private white employer. The amount of such taxes varies greatly in Africa but in many cases it is extremely large in comparison with the average native per capita income. Thus, in Basutoland, the tax is twenty-eight shillings, while the average income is frequently less than one pound sterling.⁷ In the French Cameroon mandate, the average poll tax varies from thirty-seven to seventy francs.⁸ This burden of direct taxation is so great that in many instances natives have no choice but to work for several months out of each year in order to earn enough to defray their tax charges. This tends to have a bad effect upon native agriculture since, when the able-bodied men leave for long periods, cultivation is left in the hands of women, old men, and children.

Resident whites have frequently pressed upon government officials to take even more active means to force natives into regular employment. In many British colonies this has been resisted steadily but in Kenya the critical years of the World War brought about a modification of this policy and the government has had great difficulty in regaining its former position of resistance to the importunities of the settlers. The usual compromise is to the effect that the government will encourage natives to seek work but will not coerce them. Lord Milner, when Colonial Secretary, defended this policy as follows: "There is no question of force or compulsion, but only of encouragement and advice through the native chiefs and headmen . . . it is desirable that young able-bodied men should become wage earners and should not remain idle in the reserves? . . . In my opinion the Protectorate government [Kenya] would be failing in its duty if it did not use all lawful and reasonable means to encourage the supply of labor for the

⁷ Royal Institute of International Affairs, *op. cit.*, p. 176.

⁸ Lord Hailey, *An African Survey* (London, 1938), p. 591. This monumental study, prepared by a Committee under the auspices of the Royal Institute of International Affairs, is an indispensable source of information on all present-day African problems. See also H. Labouret, *Le Cameroun* (Paris, 1937).

settlers who have embarked on enterprises calculated to assist not only the Protectorate itself, but also this country and other parts of the Empire by the production of raw materials which are in urgent demand.”⁹

At first glance, such a policy of encouragement appears reasonable, but it must not be forgotten that it is the chief who is “encouraged” and who, in turn, issues the orders to his men. It is not surprising that the natives fail to distinguish between a suggestion and an order. The results have been well stated in a joint protest of East African church leaders against the issuance of a governmental labor circular in Kenya in 1919. The bishops said: “A hint and an order on the part of the government are indistinguishable) . . . To leave his own plantation, perhaps at a critical time, for the benefit of someone else’s plantation; to leave his house unthatched, his crops unreaped, his wife unguarded, perhaps for months at a time, in return for cash which he does not want on the ‘advice’ of his chief—which he dare not disregard—is not a prospect calculated to inspire loyalty to the government from which the advice emanates.”¹⁰ In some colonial areas, governments have gone beyond these devices of taxation and official “encouragement” and have actually forced natives to work for private white employers. Prior to 1926 this was done, notably, by the Portuguese government in Mozambique and Angola.

Even where coercion, whether indirect or direct, has been applied with great moderation, there is another factor which has forced natives to leave their homes and enter white employment. This is the matter of land scarcity. In East Africa and South Africa the bulk of the good land has passed into white ownership.¹¹ Restricted to reserves which, in many cases, are too small and too poor to support the population, the natives have had no choice but to become tenant laborers on white plantations, or, failing this, able-bodied men must leave the reserves for long periods and work in the mines and on the plantations, attempting by their earnings to supplement their own insufficient produce as well as to meet their taxes. It is unnecessary to emphasize the fact that this exodus from native reserves, induced by a state of abject poverty, tends to destroy the whole fabric of tribal society.

Thus it is that in many of the areas in which imperialists founded colonies, the native has been subjected to a new type of slavery—the slavery of the wage system. In all too many cases he has been forced into this situation by a set of conditions which have given him little or no choice

⁹ Cmd. 873 (1920) p. 4. Cited in R. L. Buell, *The Native Problem in Africa* (2 vols., New York, 1928), I, 335.

¹⁰ Cited in *ibid.*, I, 334.

¹¹ In the Union of South Africa a total of 13 per cent of the land is now reserved for the natives. The population of the Union is approximately 80 per cent native and 20 per cent European.

in the matter.¹² Because of the shocking abuses which have accompanied this new servitude, sincere humanitarians have condemned colony-holding and have insisted that, far from bringing the native the blessings of civilization, imperialism has produced only a slavery which, because its effects are so general, is in reality more devastating and reprehensible than the activities of the slave raiders of the past. To this charge colonial administrators have usually replied by asserting that it is necessary to take a long-time view of the matter. Ultimately, they insist, these abuses will be corrected, natives will become adjusted to the new order, and will be more happy and prosperous than would otherwise have been possible.

Economically speaking, it seems clear that the native has probably suffered more than he has gained, at least up to the present. On the other hand, many improvements over the early situation may be noted. The abuses of the Congo days have not disappeared entirely but they have been mitigated and wise administrators have realized long since that a policy of brutal exploitation is economically unsound. Particular progress has been achieved in the matter of native labor. The attempt by the League of Nations to suppress such vestiges of slavery as still exist was accompanied by a further attempt to apply the same policy to any forced labor which was tantamount to slavery. In the Slavery Convention, signed in 1926, the colonial powers agreed to "prevent compulsory or forced labor from developing into conditions analogous to slavery." Although this did bring some measure of reform in those colonies, such as the Portuguese, in which existing conditions were the worst, it was not adequate to deal with the indirect forms of labor coercion. This problem was taken up by the International Labor Office and, in 1930, an International Convention on Forced Labor was adopted at the annual conference.¹³ This Convention prohibits the use of forced labor in any form for private employers and limits it strictly to certain specified public purposes. It also fixes the maximum number of days of labor which may be required of any native. In this way enlightened action at the international level has provided a guarantee against a recurrence of the worst aspects of the natives' new slavery. As for the other economic problems, those which result from the contact of the two civilizations in those colonial areas where large number of whites reside permanently, no convention and no legislation, however wisely drawn, can prevent a long period of readjustment during which the interests of natives must somehow be protected.

¹² This is not true of portions of the west coast of Africa, such as the Gold Coast or Nigeria where, because the climate is unsuitable to white habitation, it has been possible to develop a prosperous system of native farms.

¹³ The Convention has been ratified by France, Great Britain, Italy, Liberia, and Spain, and it is now before the Belgian Parliament. The French ratification reserved the right to enforce compulsory land cultivation in case of threatened famine.

OTHER EFFECTS UPON NATIVE RACES

Colonial imperialism has done more than affect the native's economic status; it has also had profound effects upon his social and physical well-being. On the credit side of the ledger one must list such items as the conquest of disease. An intensive study of tropical medicine has resulted in the discovery of means to combat many diseases, such as yaws, which are peculiar to inhabitants of tropical and subtropical regions. More than this, primitive peoples have been taught the rudiments of sanitation and hygiene, native doctors have been trained in order to check epidemics and provide some surgical facilities, and native midwives have been taught modern methods of obstetrics in an effort to reduce the appallingly high degree of native infant mortality.¹⁴

On the other hand, there are other less pleasant aspects of the problem. The white man brought his own diseases with him. Many of these, which seldom have serious effects among whites, are fatal to primitive peoples. Measles has taken a frightful toll of native life. Venereal disease, possibly a white importation, is now widespread over most native areas. Moreover, the increased mobility of native populations—a consequence of improved means of communication and the movement of soldiers and conscript labor—has facilitated the dissemination of many native diseases. The rapid and fatal spread of African sleeping sickness after the beginning of the colonial movement is a tragic example. In many colonial areas these developments have more than offset the gains achieved by medical and health officials, especially (since colonial budgets have seldom been large enough to permit a frontal attack on the native health problem.) The result is the continuation of an almost incredible amount of native disease. It has been said on competent authority that nearly every African native has some form of intestinal parasite. In the west section of the Cameroons a recent investigation concluded that 91 per cent of the population had some form of infectious or epidemic disease, and in Kenya the study of a selected village revealed the fact that every native was infected with hookworm.¹⁵ Infant mortality is still between 300 and 400 per thousand in many parts of the continent. With its toll of countless thousands, malaria probably accounts for one-third of the native mortality in the island colonies of the South Seas and in many parts of Africa as well. (Despite modern science, and in part because of white rule, the tropical child of nature is seldom the

¹⁴ For a fascinating discussion of the native health problem, see V. Heiser, *An American Doctor's Odyssey* (New York, 1936), *passim*.

¹⁵ For discussion, see Royal Institute of International Affairs, *op. cit.*, pp. 132 ff. Also, Lord Hailey, *op. cit.*, pp. 1122-52.

physically splendid primitive. More often his digestive tract is a perpetual host to intestinal worms and his blood stream a home for the coursing protozoa of malaria.

This situation is further aggravated by the fact that the physical resistance of the native under white rule tends to diminish. This is due in part to dietary change. (With the introduction of a money economy, natives frequently abandon their former dietary habits and begin to subsist increasingly on tinned meats, imported polished rice,) and other foods which, because they are new and because they lack some of the elements present in the traditional diet, will have a debilitating effect. An increased use of alcohol contributes mightily to this decline in physical vigor. More than this, there is a subtle psychological change which, while not general, is alarmingly frequent. On the part of the native this results in a lassitude, an inertia, and a lack of desire to cope with the changing structure of his group life.

This process of social change has its commendable and its unfortunate features. White rule has brought about the decline and extinction of many barbarous practices. (Suttee has disappeared in India, the terrorist bands of West Africa have been virtually suppressed, legalized debtor slavery has been abolished,) and savage penalties, such as mutilation and barbarous means of criminal torture and execution, have been replaced with a justice which aims at the Western norm. From any standpoint, all this is clear gain. (Even in the areas where imperialist control is indirect, the pressure of extraterritoriality has speeded up the westernization of legal penalties and judicial methods.)

These praiseworthy improvements, and white rule in general, have had a profoundly unsettling effect among primitive peoples almost everywhere. Tribal organization has been slowly destroyed. In some colonies, administrators have endeavored deliberately to break down tribal society arguing that the old political and social structure must be razed before a new one can be built. This policy, once associated with early German colonial rule, has now happily disappeared and has been replaced with one which endeavors to work through the existing social and political system of the native, thus making the paramount chief a local agent of the colonial government, as well as the head of his own people. Even so, such a (policy of indirect rule can only delay the slow but inevitable disintegration of tribal society.) As men leave their tribes, whether for military obligation, as in French West Africa, or to work in mines or on plantations, they come into contact with European civilization and, at the same time, they enjoy their first emancipation from the controls of the tribal system. If they remain away for long periods of time, they tend to become "detribalized." These people who are unwilling to remain in, or return to, tribal life and

who are Europeanized only to a slight degree, constitute a troublesome problem in many colonial regions. Being truly *déracinés*, they tend to drift into the towns where they mix in the slum quarters with the lowest elements of white society. As this process goes on, the tribal system suffers. Wise administrators attempt to prevent this disintegration because they are fully aware of its disastrous consequences but there is little that they can do for the root cause is the need for labor. (Only in those colonies where there are few permanent white settlers and where native life is vigorous and flourishing is it possible to carry into effect a policy which will improve the material life of the native without doing too much violence to his traditional system of loyalties and controls.) Elsewhere the problem is as grave as it is complicated.

To many colonial administrators, a system of native education is the answer to this socio-economic problem. (The British incline toward a policy based on the immediate environment and needs of the people. By stressing the handicraft arts, manual training, agriculture, and a knowledge of the geography, flora and fauna of the locality, it is hoped that the difficulty of reorientating native life under the impact of European civilization may be minimized.) The French apply to the problem of native education their basic conception of the colonies as an overseas extension of France, *la France d'outre-mer*. To make the natives an integral and conscious part of this greater France, it is necessary to teach them the language and the ideals of the mother country. Since this cannot be done quickly and on a large scale because of the costs, the French have hit upon a policy of educating a native *élite*, a social core, which will be the means of propagating these ideals. Accordingly, the sons of chiefs, who will some day become chiefs in their own right, are given special educational opportunities.

In the long run, it may be that the development of a sound system of native education will be the chief means whereby "the white man's burden" can be effectively discharged, but it is doubtful if it can be worked out and applied on a large enough scale to prevent the further disintegration of native tribal life. In most cases, the areas are too extensive and the revenues of the colony too small to permit that rapid expansion of educational facilities which alone might suffice to bring about the desired result.¹⁶ It should be added that, in those areas in which whites reside permanently, there is much local opposition to a "practical" education which will enable the

¹⁶ "Only in one or two African territories has there been any attempt to envisage education in its bearing on the needs of native life, though this conception of its aims is beginning to spread. At present the educational system of the majority of colonies aims at rendering the educated individual superior to his community, not at making him a more valuable member of that community. (A remodeling of the whole of African education to bring it into close relation with African life is one of the most urgent and difficult tasks of current policy.)—L. P. Mair, *Native Policies in Africa* (London, 1936), p. 17.

native to compete with unskilled or semiskilled white labor. One indication of this fear is to be observed in the "Color Bar" law of the Union of South Africa which restricts natives to unskilled manual labor in mining operations. Employer and organized labor interests are in conflict over the wisdom of such a policy.

The gravity of this entire problem can be illustrated by the fact that some native populations have displayed a distinct tendency to die out since the advent of the white men. Estimates of native populations at the time when white rule was assumed are necessarily vague because they are based almost entirely on the guesses of missionaries and traders. But even if an allowance is made for a wide margin of error, the decline of native populations is still a demonstrable fact. This is particularly true of the Pacific island colonies. It has been estimated, for example, that 150 years ago the population of the New Hebrides was at least a million. Today, it is only about 45,000.¹⁷ Early estimates placed the population of French Equatorial Africa at 12,000,000 to 15,000,000. Today, the population is approximately 3,200,000, and it is generally agreed that, even though the early estimate was excessive, there has been an alarming decline in recent decades. The same situation holds for the Belgian Congo.¹⁸

IMPERIALISM AND THE MOTHER COUNTRY

As noted in the previous chapter, many protagonists of imperialism believed that the extension of empire would open up new market outlets which would provide for the indefinite maintenance, and even the expansion, of existing production facilities. Now, with the experience of half a century, it is possible to examine this record and to determine the degree to which this anticipation has been realized. First of all, it is important to know the extent to which the trade of dependencies has become a part of general world trade. In 1934, the various colonial possessions, excluding India and the British Dominions, accounted for a total of 12.51 per cent of total world trade. This amount was divided as shown in Table XII. Since the populations involved comprise nearly 15 per cent of the world's population, it would appear that the colonial inhabitants have substantially a fair per capita share of total world trade. On the other hand, it should be noted that the combined populations of the Spanish, Belgian, Portuguese, and Italian colonies account for less than .5 per cent, while the British and the French account for more than 50 per cent of the total.

¹⁷ T. H. Harrison, "The New Hebrides People and Culture," *Geographical Journal*, October 1936. See also S. H. Roberts, *Population Problems of the Pacific* (London, 1927), *passim*.

¹⁸ R. L. Buell, *op. cit.*, II, 226-27, 567.

TABLE XII
COLONIAL TRADE IN RELATION TO TOTAL WORLD TRADE ¹⁹

	PER CENT OF TOTAL WORLD TRADE
British colonial empire	4.62
French colonial empire	2.94
Netherlands colonial empire	1.98
United States colonial empire	1.36
Japanese colonial empire	1.12
Italian colonial empire .....	.16
Portuguese colonial empire .....	.14
Belgian colonial empire .....	.12
Spanish colonial empire .....	.07
GRAND TOTAL	12.51

If we examine the flow of trade between the imperialist countries and their colonial possessions, the figures become more significant and revealing. The first thing to be noted is that (during the prewar period, colonies did not become major market outlets.) In the decade 1904-13, exports from the mother countries to the colonies, figured as a percentage of total exports from the former, were as follows:

TABLE XIII
EXPORTS TO THEIR COLONIES BY COUNTRIES ²⁰

	PER CENT
France	12.60
Germany	0.62
Italy	1.55
Japan	7.80
United Kingdom	30.57

During the same period, imports from the colonies, figured as a percentage of the total imports of the mother country, were as shown on page 270. In this period, the colonial powers did sell more to their possessions than they imported from them but, even so, the value of colonial trade was comparatively small for, if we exclude British trade with the Dominions, France was the only colonial power which carried on as much as 10 per cent of its trade with its outlying possessions.

¹⁹ Royal Institute of International Affairs, *Memorandum on Colonial Trade, Shipping and Commercial Policy* (Submitted to the 10th session of the International Studies Conference, Paris, 1927), p. 16.

²⁰ Cf. Grover Clark, *The Balance Sheets of Imperialism* (New York, 1936). The British figure includes exports to the Dominions and India. If these are excluded, the figure is 5.6.

TABLE XIV
IMPORTS FROM THEIR COLONIES BY COUNTRIES

	PER CENT
France	10.58
Germany .....	.37
Italy .....	.21
Japan	6.85
United Kingdom ²¹	23.76

Before we compare these figures with those of postwar years, it is important to examine the changing character of colonial commercial policy. For the most part, the nineteenth-century dependencies were geared into the economy of the mother country by a variety of protectionist devices. Only Great Britain, faithful to the principle of free trade, was content to give other states access to her colonies on terms of economic equality and even Britain levied preferential export duties on Nigerian and Malayan tin. In pursuing this "open door policy" Great Britain ran counter to the wishes of the Dominions, where sentiment was predominantly in favor of the construction of a single Empire trading unit to be achieved by a system of special inter-Imperial trade preferences. Sentiment in Britain strongly opposed this view, rejected the attempt of Joseph Chamberlain to sell it to the electorate, and favored the maintenance of open colonial markets. Nevertheless, Britain was unable to prevent the Dominions from enacting a set of tariffs which granted broad preferences on Empire trade.

Elsewhere, it was generally assumed to be desirable to canalize colonial trade into the parent channel. Jules Ferry, a strong protectionist, succeeded in building up the new French Empire on what was largely a "closed door" basis. In other words, virtual free trade existed between the colonies and the mother country but the metropolitan tariff, or a substantial portion of it, applied to all colonial imports from foreign countries. In some colonies, especially the African possessions of Portugal, a further canalization was effected by levying discriminatory export taxes on all colonial goods destined to foreign countries. Even the United States moved to establish virtual free trade with her new dependencies, thus closing to others the door which she had tried to keep open for herself in China.

In general, imperialism produced a colonial commercial policy which was essentially a return to the mercantilism of a century and a half before. Only in certain areas was the international competition so strong that it was necessary to keep the door of economic opportunity open to all. This was true of the Congo basin in Africa and, in 1885, the Berlin Act estab-

²¹ Excluding the Dominions and India, this figure should read 4.3 per cent.

lished an "open door" régime for a broad band of African territory from approximately 5° north latitude to 12° south latitude. Similar arrangements were made in 1899 for the Samoan Islands and, in 1906, for Morocco and the International Zone of Tangier.

Since the World War this tendency toward the monopolization of colonial markets by the mother country has increased. For one thing, it has been necessary for the colonial powers to pay for their imports, wherever possible, with their own currency. Most of the colonial powers were struggling under an onerous burden of international indebtedness and it seemed to them that they might carry this load more easily if they could procure as many of their imports as possible from their own possessions. Also, apart from this fundamental consideration, protectionism was in the air. Contracting world markets and the many new sources of industrial supply forced the older states to adopt policies based on a static or even a shrinking volume of world trade. Although Great Britain still clung to free trade, the colonial office did readjust tariffs in many of the non-self-governing dependencies after the War so as to give preferential entry to British goods. Belgium was tied by the Congo agreement but, with the further exception of Holland, all the colonial powers moved to tighten the bonds of commercial control over their outlying possessions.

This trend was sharply accentuated by the effect of the depression. Even in Great Britain the strain was too great and the disastrous year of 1931 brought a change of policy. The Import Duties Act and the subsequent acceptance at the Ottawa Imperial Conference (1932) of a system of Empire preference partially closed this one remaining area. Belgium and the Netherlands abandoned free trade, while Portugal increased the margin of preference to her colonies, and France attempted in the colonial conference of 1934-35 to close off her empire as far as possible to imports of foreign goods. As international trade continued to shrink, statesmen became more and more convinced that the mother country must make every attempt to monopolize colonial trade both by tariff discrimination and by the encouragement of colonial production of commodities complementary to those produced at home. The effect of these policies in stimulating the German demand for the return of her lost colonies is so obvious that it requires no particular comment.

In one sense, the results have been striking. The decline in foreign trade, coupled with the adoption of all these special measures, has brought about a marked increase in the percentages of most mother-country trade with the colonies. The table on page 272 furnishes evidence for this conclusion.

These figures indicate clearly that colonial trade has been increasing its relative importance as a portion of the external trade of the mother

country. It has also been pointed out that this increase is a product of the peculiar conditions of the postwar world. It does not necessarily follow, however, that the mother country is able to procure supplies from her dependencies at a lower cost than if they had been purchased on the open market. It means, merely, that in the troublous times of the depression states found it easier to encourage colonial trade almost irrespective of the cost involved.

TABLE XV

MOTHER COUNTRY TRADE WITH DEPENDENCIES ²²
(Expressed as Percentages of Total Trade of Mother Country)

	IMPORTS FROM DEPENDENCIES		EXPORTS TO DEPENDENCIES		TOTAL TRADE	
	1913	1933	1913	1933	1913	1933
United Kingdom	20.5	35.5	37.2	44.4	27.9	38.8
Japan	13.2	29.6	17.9	38.2	15.4	33.8
France	9.5	23.7	13.0	32.4	11.1	27.1
Portugal	15.6	23.2	30.6	35.6	20.1	27.1
United States	3.4	11.7	2.4	5.9	2.8	8.6
Spain	.5	3.4	2.0	4.3	1.2	3.8
Belgium	1.0	4.2	.7	1.0	.9	2.7
Netherlands	13.6	5.0	5.5	4.8	10.0	4.9
Italy	.3	.8	3.7	3.6	1.7	2.1

The next question which naturally comes to mind is this: Have the mother countries actually succeeded in monopolizing most of the exports and imports of their dependencies? This question is important for, unless it is substantially so, one could argue that the mother country has borne the cost of development and the continuing administrative costs while the bulk of the trade of the colony in question is directed to or derived from foreign markets. To put the question in another way: Have colonial exports and imports followed the flag or the market? This is a problem which can best be answered by citing the relevant statistics shown on page 273.

From these figures it is evident that the "open door" countries, such as the United Kingdom and the Netherlands, have not enjoyed by any means so large a part of their dependencies' trade as have those countries

²² United States Tariff Commission, *Dominion and Colonial Statistics*, Report No. 127, Second Series (Washington, D. C., 1938), p. 16. These figures include the British Dominions and all dependencies. Italian figures are for 1932 rather than 1933.

TABLE XVI
MOTHER COUNTRY TRADE WITH DEPENDENCIES²³
(Expressed as Percentages of Total Trade of Dependencies)

	IMPORTS FROM MOTHER COUNTRY		EXPORTS TO MOTHER COUNTRY	
	1925-29 average	1935	1925-29 average	1935
British colonies and protectorates	26.0	24.5	29.5	35.8
French colonies				
Algeria	80.0	80.2	54.0	85.5
Others	46.1	52.1	39.7	64.2
Netherlands India	17.6	13.1	16.3	22.7
Belgian Congo	51.1	38.3	49.9	76.1
Japanese colonies	69.7	84.8	87.6	88.9
American dependencies				
Philippines	61.0	63.5	74.1	79.5
Others	89.8		96.4	

with a more restrictive trade policy. It is also clear that the recent adoption of further restrictions has tended to increase the mother country's share of the colonial trade as well as the colonial share of the mother country's trade.

This canalization of trade has produced several results which may ultimately affect the economic aspects of the imperialist balance sheet. When the productivity of the colonies is increased by the effect of mother-country investments and when trade channels with the mother country are constantly deepened, the welfare of the colony becomes closely bound up with the welfare of the mother country. In one respect this may be a disadvantage, for under such circumstances the economic development of the colony tends to become increasingly complementary to the economic system of the mother country. If this occurs, the colony may abandon or leave undeveloped those aspects of production for which it has an absolute natural ad-

²³ Condensed from Royal Institute of International Affairs, *The Colonial Problem*, Appendix XI, pp. 412-13. British figures do not include India or the Dominions, and refer to trade of the colonies and protectorates with the United Kingdom only.

vantage and it may undertake types of production for which it has a temporary or artificial advantage due to the commercial policy of the mother country. Under such conditions its economy becomes overly dependent upon the margin of tariff preference which it enjoys. Ultimately, this may lead to trouble if, due to changing preferences or to economic depression, the mother-country market for the commodities in question suddenly tends to contract. This excessive economic dependence may have an adverse effect upon the long-time development of a colony. The plight of the Philippines, overspecialized in sugar and too closely allied with the American market, is a case in point. The character of its economic development has well-nigh ruined its chance to survive the shock of economic and political separation from the United States.

This economic sensitivity is particularly marked because most colonial exports still consist of foodstuffs and industrial raw materials, the market for which depends directly upon the general economic well-being of consuming countries. In this respect, imperialism has partially justified its claims since, as has been previously noted, politically dependent areas are the chief source of supply for a number of mineral and other raw materials. Today, practically all the palm oil, 96 per cent of the rubber, 56.9 per cent of the tin, 64 per cent of the copra, and 52 per cent of the phosphates come from colonial areas. In addition, colonies supply more than 10 per cent of the world production of the following: bauxite, chrome ore, copper, manganese ore, tungsten ore, and graphite.²⁴

The next item in an appraisal of imperialism is that of financial profit. How true was the belief that the development of backward areas would open up great fields for profitable investment? To what extent have investments in imperialist areas yielded greater returns than contemporary investments in domestic enterprises?

First, it must be pointed out that this question is an exceedingly complicated one. Many investors might have derived as much return if they had placed their funds in colonies belonging to another country. In other words, if investor X, living in state Y, invests his money in Z, a colony belonging to Y, how much of his return is due to the fact that Y has political control over Z? Also, what portion of X's extra margin of return is taken from him by the additional taxes levied by Y in order to defray the costs of administration and development in Z? The mere enumeration of these questions offers a sufficient reason why unqualified generalizations are hazardous. Moreover, one must bear in mind the multifarious nature of the investment problem. There are so many different types of investments. How can one measure with a common yardstick the returns to a

²⁴ Royal Institute of International Affairs, *Raw Materials and Colonies*, Information Department Papers, No. 18 (London, 1936), p. 26.

citizen who buys a bond of a special colonial issue floated in the mother country, the returns from emigrant investments, and the returns to an individual who buys shares in a joint-stock company formed to exploit colonial mineral or agricultural resources? At best, all that can be done is to attempt to examine comparative yields on domestic and colonial investments and, also, the extent to which colonial revenues have or have not been sufficient to meet the costs of administration.

The most easily available index of colonial prosperity is the trade balance. If a colonial possession imports more than it exports, it is obvious that, for the time being at least, it is not yielding much of a return on mother-country, or any external investments. It should be added, of course, that many investments, particularly those of a public character, cannot be, and were not, expected to yield much for many years. Even so, it must be obvious that unless or until a colony can begin to export more goods or services than it imports it is not a source of any great profit to investors from abroad.

Measured by this general index, comparatively few imperialist areas have as yet become areas of profitable investment. Nearly all the territories acquired after 1870 had unfavorable trade balances in the prewar years. Recently, many of them, particularly those in the French empire, have developed an export balance but this must be ascribed to restrictive trade policies imposed by the mother country rather than to any development of economic maturity on the part of the colony. As has been pointed out, this kind of forced trade may create a temporarily favorable balance but, at the same time, it may well have a destructive effect upon the general economic development of the colony. And, since it may force citizens of the mother country to pay higher prices for colonial products, it reduces the general value of the colony to the mother country by just that margin.²⁵

On the other hand, it must be recognized that even though the average citizen of the mother country does pay rather dearly in higher taxes and higher prices on certain articles for the pride of empire which may now and then thrill his soul, there are certain individuals in the mother country who managed to make large fortunes out of colonies. These spectacular fortunes, won through special trade privileges or through the accidental discovery of valuable mineral wealth, have proved to be an attraction which has lured many another fellow citizen of the mother country to sink his modest savings in a vain search for the same rainbow's end. But even where allowance is made for those great individual fortunes, we have not yet determined whether they flow from the fact of political control over the region, nor have we balanced them with the losses so as to arrive at any

²⁵ See M. M. Knight, *Morocco as a French Economic Venture* (New York, 1938), pp. 194 ff.

average return figures. Although the first point is impossible to determine with any accuracy, investments do tend to follow the flag. This raises the question of the subsidiary benefits which are derived from ownership. The extension to a colony of the same language, legal system, and business methods, makes it much easier and simpler for a company to operate profitably in a colonial area than in a foreign dependency. What this is worth is another matter, but it has undoubtedly had some influence in canalizing mother-country investments to the colonies. More important is the question of equality of investment opportunity. The chief margin of profit ascribable to political control comes from the fact that most governments make it easier for their own citizens than for aliens to carry on enterprises in the colonies. In the case of many important mineral raw materials, exploitation by foreigners or by companies under foreign control is strictly forbidden or is hedged about by administrative regulations which are designed to be as vexatious as possible.²⁶ In such cases the margin of profit arising from the extension of alien competition is purely political in origin.

As far as the average return to investors is concerned, there is enough evidence to warrant the conclusion that this has not been notably greater than the income derived from prudent investment at home. One student who has examined the French colonial empire from this point of view has concluded that "If the French colonies had not been available to invest in, the Frenchmen who did invest in them would probably have invested in the securities of the colonies of other countries or both in these and in the bonds of the French government. *A detailed comparison of yields shows that these substitute uses for French capital would probably have yielded higher interest and dividend rates than did the French colonial securities in which the capital was actually invested.*"²⁷

One explanation for this is the fact that private colonial investment, being highly speculative, is so easily overdone, especially when times are good, when investor money is plentiful, and when colonial prospects seem bright. Under such conditions there is apt to be a great deal of fraudulent company promotion. Also, genuine overcapitalization frequently occurs, production is overexpanded, and grandiose development schemes are launched. When conditions become less favorable, this overexpansion causes great difficulty sometimes even for well-planned investments. This situation was particularly true of the rubber plantations of Malaysia after the War and it would have been equally true for Philippine sugar if the producers had not enjoyed preferential access to the great American market. It was because

²⁶ For a brief summary, see G. L. Kirk, *Memorandum Concerning Restrictions on the Exploitation of Natural Resources by Foreigners*. International Memorandum No. 6. Tenth International Studies Conference (Paris, 1937).

²⁷ C. Southworth, *The French Colonial Venture* (London, 1931), p. 118. Italics ours.

of this situation that the depression struck such a smashing blow at the economic well-being of so many overseas dependencies. As one student has phrased it, "industrialists and financiers have sought to exploit the colonies. The colonies in their turn are having their revenge."

Certain other aspects of the effect of imperialism upon the mother country can be dismissed with brief comment. The early hope that colonies would provide an outlet for surplus population has not been realized in any instance. Most of the colonies acquired during the heyday of imperialist activity have not proved attractive to European emigrants. Tropical climates have been unfriendly to the health of white settlers and, economically, colonies have been unattractive because, in most cases, the plantation type of economy to which these regions are best adapted required more initial capital than the ordinary emigrant possessed. To express the matter differently, immigrants coming to countries such as the United States could embark upon their adventure with a reasonable assurance that, despite an almost total lack of funds, they would have a good opportunity to achieve moderate success. Few of the recently acquired imperialist areas offered this possibility and the home governments did not find it possible to attempt to divert the emigrant flow toward them by means of large-scale financial assistance. It should be added that emigrants naturally seem to prefer to go to regions where nuclei of friends or fellow nationals are already living and where conditions are not unlike those with which they are familiar at home.

Statistics concerning recent European emigration bear out these conclusions in a striking fashion. In the past half-century only 500,000 persons have migrated from Europe to the territorial dependencies governed by the European powers. In other words, 97.4 per cent of the European emigrants during this period have gone to noncolonial regions. Since the European population increased by 173,000,000 during this same period, it cannot be seriously contended that emigration, whether to the colonies or not, has tended to reduce population pressure at home.

It is obvious from the foregoing discussion that a balance sheet of modern imperialism is difficult to establish. Natives have profited in many respects and have been adversely affected in many others. Citizens of imperialist states have derived some benefit from empire, but the costs in terms of money and energy have been disproportionately high, and on many occasions conflicting imperialist rivalries have almost provoked large-scale international conflicts. All one can say, when confronted with the total evidence, is that, from the standpoint of the natives, the benefits are rather more potential than actual. From the standpoint of the citizens of the mother country, the benefits have undoubtedly been greater in terms of

such imponderables as prestige and enhanced national power than in terms of specific economic gain.

THE SEARCH FOR A SOLUTION

Faced with these conflicting consequences of the imperialist process, many sincere persons have wondered if some solution might not be found whereby its advantages could be retained and its undesirable features eliminated. Clearly, if some such solution could be found it would be a great advantage to all concerned. Many of the areas under colonial control are so retarded in their political development that any early grant of self-government is entirely out of the question. It is a problem, not of liberation, but of a régime which will effectively discharge the "white man's burden."

Assuming, for the moment, that it would be possible politically, many have argued that all colonial areas should be placed under the control of an international administrative agency. Such an arrangement should diminish international political friction and terminate the exploitation of colonial areas for the benefit of the mother country. Presumably, under such a system the sole criterion of native policy would be the welfare of the subject peoples. All states would enjoy equality of trading opportunities with all colonial areas. Since the "open door" to everyone would prevail, the so-called "Have-Nots" could no longer complain that the fortunes of war had deprived them of the opportunity to secure access to raw materials and investment opportunities. All would derive equal advantage from the development of colonial regions.

Unfortunately, such a prospect, however attractive it may seem at first glance, is scarcely within the bounds of possibility. The fundamental difficulty is that it comes too late. States which have administered regions for half a century or more are not likely to sign away their jurisdiction, especially after they have expended huge sums and historic and sentimental ties have been forged. Nationalistic pride in empire is too great. There are too many vested interests which would be certain to oppose such a step, too many who would regard it as a shameful betrayal of national interest.

Moreover, there are other practical difficulties which would be hard to overcome. How would a staff of trained administrators be recruited? Could a single international agency exercise effective supervision over all colonial areas? Could a single standard administrative policy be developed? How could such an international agency procure funds for the extensive development of colonies? These are all pertinent questions and it is impossible to answer any of them with assurance. Existing colonial administrators are trained in the colonial policy of their own particular country. It would be

difficult, if not impossible, for them suddenly to become representatives of an international body. The same considerations apply to the problem of a proper colonial policy. Since there are wide differences in practice in the various colonies, it would be exceedingly difficult, first, to hit upon a new policy to which all would subscribe, and second, to put that policy in operation in those areas where it would be necessary to effect a radical change from past practice. Finally, the money question is a difficult one. Conceivably, international developmental loans could be floated if they were guaranteed by the governments of the member states in the international organization but, in the absence of some arrangement such as this, it is obvious that the income from the prosperous dependencies would not by any means be enough to carry the costs of the more backward ones. It is true that none of these obstacles are insuperable but no advantage can be gained by minimizing them.

From time to time, the powers have taken a few rather halting steps in the direction of international administration over certain areas. The city of Tangier was placed under a species of international control in 1923. The government of the city is in the hands of a legislative assembly in which representatives of the various powers concerned sit with native representatives. A council composed of the consular representatives of the foreign powers has the power to veto the acts of this assembly.

This Tangier scheme is not international administration so much as it is joint administration. The nearest approach to genuine international administration is to be found in the mandate system. This plan for the disposition of the former German colonies and for certain portions of the Turkish Empire has had an interesting history. During the War, Allied propaganda laid great stress upon the inability and unfitness of the Germans to administer colonies. Tales of shocking brutality and misrule were broadcast throughout the world. Soon people began to think of these things when they thought of "self-determination" and of the revived discussion concerning "trusteeship" for backward peoples. The result may be seen in President Wilson's formulation of the problem in his famous Fourteen Points speech. The President demanded (Point Five) "a free, open-minded, and absolutely impartial adjustment of all colonial claims based upon a strict observance of the principle that in determining all such questions of sovereignty the interests of the populations concerned must have equal weight with the equitable claims of the Government whose title is to be determined." Further on (Point Twelve) he said somewhat ambiguously that "the Turkish portions of the present Ottoman Empire should be assured a secure sovereignty, but the other nationalities which are now under Turkish rule should be assured an undoubted security of life and an absolute unmolested opportunity of autonomous development, and the Dardanelles should be

permanently opened as a free passage to the ships and commerce of all nations under international guarantees."

During the earlier war years, the Allies had been engaged in the negotiation of the famous secret treaties, most of which had to do with a division of the possible spoils of war in the Near East. This proposed division was designed rather to harmonize Allied interests than to conform to any principle of national autonomy for the populations concerned. Also, in the Treaty of London, there had been a vague promise to Italy that "in case France and Great Britain increase their colonial domains in Africa at Germany's expense, these two Powers recognize in principle that Italy may claim equitable compensations, notably in the settlement in her favor of the questions concerning the frontiers of the Italian colonies of Eritrea, Somaliland, and Libya and of the neighboring colonies of France and Great Britain."

It was necessary, therefore, to reconcile these two opposing principles—the division of spoils among the victors, and a growing popular demand for the enshrinement of the "trusteeship" principle in the peace settlement—by some form of compromise. This compromise was the mandate system. As textually elaborated in Article 22 of the League Covenant, it proclaimed the principles of trusteeship without reservation or qualification. As it was actually set up, however, it was in a sense a victory for the old diplomacy because the Allied Powers received as mandates those territories, especially in the Near East, which had been agreed upon in the secret treaties.²⁸

In order to satisfy all the needs of the situation three different types of mandates were created. The territories of Iraq (Mesopotamia), Syria and the Lebanon, and Palestine and Transjordan became "A" mandates. These were the regions in which, because of the relatively advanced state of the people, it was anticipated that full independence might be granted in a relatively short time. Actually, Great Britain has terminated her mandatory control over Iraq and that kingdom is now a member of the League of Nations. The two states are bound together in a close military alliance. France has taken preliminary steps looking toward the substitution of a similar alliance for her present mandate over Syria but recent events have balked further negotiations and it now seems as if the complete emancipation of Syria may not be achieved in the near future. The French cession of the Alexandretta region of Syria to Turkey in 1939 was a cause of much friction with the Syrian political leaders.

Little or no progress has been made toward a solution of the Palestinian problem. The British government has been trying for nearly two decades to find some means to bring about a reasonable amount of Jewish-

²⁸ This would not have been entirely true had the United States accepted the proffered mandate over Armenia.

Arab coöperation. Thus far, this attempt has failed completely and, although many schemes have been proposed, each has been rejected by one party or the other. Recently Great Britain proposed the division of the tiny

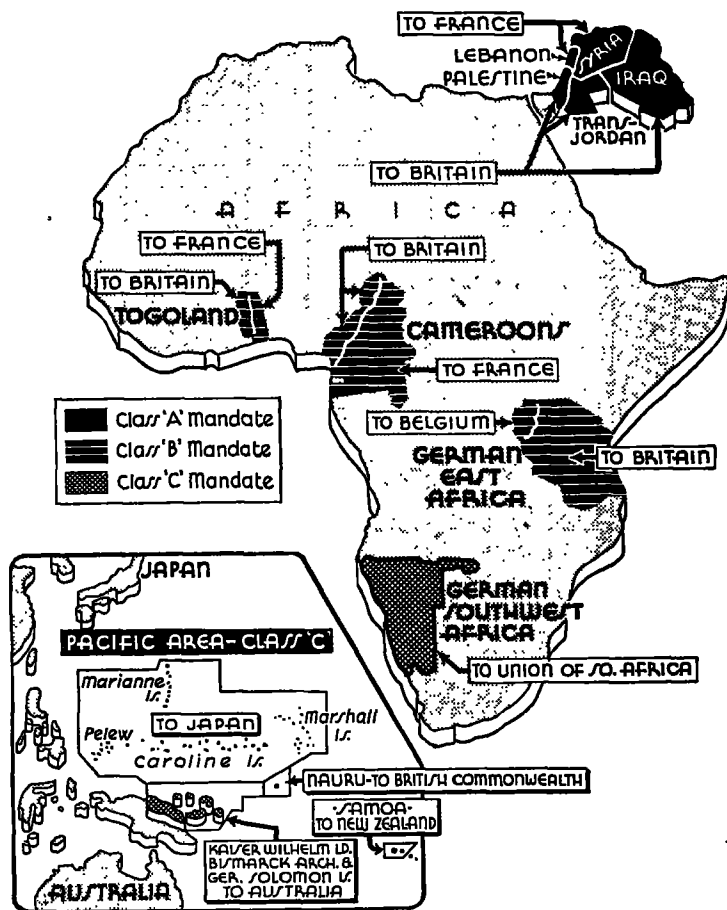


FIG. 20.—THE MANDATE SYSTEM.

From *In Quest of Empire*, by W. C. Langsam. Copyright, Foreign Policy Association, 1939. Reproduced by permission.

country into a Jewish portion and an Arab portion, the region about Jerusalem to remain under British protection and administration for an indefinite time in the future. When this plan proved unacceptable, the British then proposed, 18 May 1939, to limit Jewish immigration for a period of five years, at the end of which time the situation would be

"frozen" and no further immigration would be permitted unless the Arab majority gave its consent. Since this plan envisaged an independent Palestine, controlled by the Arabs, within a ten-year period, the Zionists registered bitter protests and even the Mandates Commission of the League of Nations expressed its disapproval. At the time of writing it seems as if some further solution must be found if the mandate is to be terminated.

The "B" mandates consist of the former German colonies in central Africa. Great Britain became the mandatory power over Tanganyika, and portions of Togoland and the Cameroons. France received a mandate for the remaining parts of the two colonies last named. Belgium acquired a small mandate in the Ruanda-Urundi section of the Congo basin. Since all these colonies were within the Conventional basin of the Congo, i.e., the area within which an "open door" had been internationally guaranteed, the mandatory powers are required to maintain an administration entirely separate from their other contiguous colonial possessions. There is no thought of early, or even eventual, independence for these areas.

The remaining colonies—German Southwest Africa and the island possessions in the Pacific—were classed as "C" mandates. German Southwest Africa was assigned to the Union of South Africa. Japan received all the islands north of the equator. Australia got New Guinea. New Zealand gained Western Samoa, and Great Britain acquired the Island of Nauru. These mandated areas have no separate administration and have been integrated within the governmental framework of the mandatory power far more completely than the "A" or "B" mandates.²⁹

The relationship of the League of Nations to the mandate system may briefly be described. In theory at least, the mandatory states hold their position by the authority of the League. Each mandate was conferred by that agency and League approval is necessary for any change in the relationship between the mandatory power and the mandate. In reality, the control exercised by the League is more theoretical than actual. Once each year the mandatory powers present formal reports to the Permanent Mandates Commission. This is a group of eleven persons, each of whom must be a private citizen of his country. A majority must always come from the non-mandatory states and one seat is always filled by a woman. This commission examines the report, elicits supplementary information from the personal representatives of the mandatory power, criticizes, if need be, the conduct of the mandate, and eventually transmits its observations to the Council of the League.

²⁹ Japan did not offer to surrender her Pacific mandates when she withdrew from the League. She has continued, however, to submit annual reports to the Permanent Mandates Commission.

The strong and weak features of such a system are fairly obvious. By the existence even of this limited form of international control, the mandatory states have been urged to adopt policies which tend to conform to a single norm. By the sheer fact of the examination and accompanying publicity given to the annual reports, the mandatories have been persuaded to modify certain practices and to eliminate others which, in the opinion of the Commission, threatened to have undesirable effects upon the native populations concerned. The Commission does not issue orders; it depends entirely upon the weapons of persuasion and publicity. These weapons have been reasonably effective in securing reforms which have seemed important to the members of the Commission. Lacking actual coercive power, it has had to move with circumspection, but its actual effectiveness has been increased by the immense amount of expert knowledge possessed by the members, many of whom are former colonial administrators.

On the other hand, despite the great technical qualifications of many persons who have served on the Mandates Commission, its authority is weakened by the fact that it must depend largely upon the mandatory for information concerning a particular administrative problem. The Commission does not have the authority to send an investigator to a mandated territory. Petitions to the Commission from inhabitants of a mandate are submitted only through the agency of the mandatory power, and the Commission will not permit oral arguments by the petitioner.

Inadequate though this system is, at least from the point of view of those who believe in the ideal of international administration, it is unfair to conclude that the scheme amounts to little more than actual annexation, cynically veiled in order to deceive a trusting world. One mandate has already achieved its independence. In many cases the natives have undoubtedly profited by a greater amount of protection against exploitation than would otherwise have been their lot. This is particularly true in the matter of safeguarding native land rights and in the prevention of forced labor. There have undoubtedly been many abuses, cases in which native protests have been ruthlessly silenced by the use of military force, e.g., the Bondelzwarts rebellion in Southwest Africa in 1922 and the Syrian rebellion in 1925; but it would be ludicrous to argue that these occurred because of the mandate system, especially since the alternative was direct annexation. Greater weight perhaps can be attached to the criticism that, in some instances, progress has been retarded by the unwillingness of the mandatory to expend funds for the mandated area in excess of current receipts. In view of the financial difficulties of the past decade, it is not likely that significantly greater amounts would have been spent under a system of direct annexation, but there have been occasions on which mandatory

powers have refused to consider large developmental projects on the ground that the political future of the area in question was uncertain. Unsatisfactory as the mandate system is in many respects, it can scarcely be contended that the alternative of simple annexation would have been preferable from any point of view.³⁰

³⁰ On the mandate system, see Q. Wright, *Mandates under the League of Nations* (Chicago, 1930); B. Gerig, *The Open Door and the Mandates System* (London, 1930); and N. Macaulay, *Mandates, Reasons, Results, Remedies* (London, 1937).

III

THE ECONOMICS OF WORLD POLITICS

XII

PREWAR INTERNATIONAL TRADE

"Although a kingdom may be enriched by gifts received, or by purchase taken from some other nations, yet these are things uncertain and of small consideration when they happen. The ordinary means therefore to encrease our wealth and treasure is by *Forraign Trade*, wherein wee must ever observe this rule; to sell more to strangers yearly than wee consume of theirs in value."—THOMAS MUN, *England's Treasure by Forraign Trade* (1664).

LARGE-SCALE foreign trade is distinctly a phenomenon of recent times. More than two millennia have elapsed since the Phoenicians roamed the Mediterranean in their frail craft, but in the single century since the first application of steam power to transportation there has been a greater change in the character of the commercial intercourse between peoples than in the preceding twenty centuries of human history. Today, with streamlined express trains and fast ocean liners, it is easy to lose one's historical perspective and to forget that the oldest railroad in the United States celebrated its centenary in 1927, and that the voyage of the "Great Western" in 1838 was the first to prove that it was possible for a steamship to carry enough fuel to cross the Atlantic without resorting to the use of auxiliary sails. Even then, further progress was so slow that the world's steamship tonnage did not exceed the amount under sail until 1893.

The obstacles to the development of international trade in the pre-industrial era were both technical and political. Under a system of manufacture which was primarily handicraft, even though tardily supplemented by wind and water power, the production of any considerable quantity of articles was impossible. With a few notable exceptions, the metal work, leather, textiles, pottery and other products of the craftsman's art were absorbed by the markets of his immediate locality. Even if, by some chance, a wide market could have been made available for these medieval artisans, they could not have supplied it because their raw materials would have been inadequate and the skilled labor supply, rendered all the more scarce by rigid guild regulations, would not have sufficed.

Moreover, even if these technical difficulties concerning a supply of

raw materials and labor could have been surmounted, it would have been impossible to transport any great volume of commodities, particularly if they were heavy or bulky, either by land or sea to a distant market. Prior to the nineteenth century most roads were made of dirt and were narrow, deeply rutted, and frequently altogether impassable because, being undrained, they presented in wet weather an abysmal morass of mud through which not even a gentleman's coach, much less a heavily laden wagon train, could safely go. John MacAdam, with whose name the development of modern hard-surfaced roads is associated, was not born until 1756. In France, it required the genius of Napoleon to construct the first network of improved roads which by his planning soon radiated out from Paris in all directions.

Nor could these goods have been transported by water. Rivers had long been the chief arteries of trade but they ran where nature, not man, had planned, and the artificial rivers, the canals, were not constructed on any large scale until after the end of the eighteenth century, just in time to have their development checked by the advent of the railroad. Best of all available means for transporting bulky commodities was the sea. But, measured by modern standards, the ships of this period were tiny indeed. Even the great East Indiamen of the end of the eighteenth century did not exceed 1500 tons and most of the ships that made New England famous in the days before the Revolution did not exceed fifty to sixty feet in length. Also, in addition to these limitations of size, the transportation provided by sailing ships was uncertain at best. Winds were capricious. The Atlantic crossing might require four to nine weeks and the trip from Europe to the Orient, from four to seven months. But, despite these uncertainties and the rigor of the long voyages upon sailors and passengers alike, the movement of bulk goods by ships was possible, and the long domination of this method is attested by the fact that the words "shipper" and "shipment" are today currently used in connection with the commercial transportation of goods by any device.

These difficulties made commercial transportation on both land and sea far too slow for all perishable goods, and they made carriage charges so high that traders tended to deal in goods, chiefly of a luxury nature, in which the greatest value was combined with the smallest bulk. A little over a century ago, for example, English road wagons were charging 12-15d. per ton-mile for hauling goods which a few years later were being carried by railways at 1d. per ton-mile.¹

It is perhaps needless to add that trade was further hampered by the lack of acceptable and accepted devices for the necessary financial arrangements. National currencies were easily clipped and counterfeited and there

¹ H. Heaton, *Economic History of Europe* (New York, 1936), chap. XXII.

was an absence of a recognized and stable rate of exchange between them. Credit devices for the handling of international trade did exist, but they were rather rudimentary and they were not always readily available. Under such circumstances, many trading operations had to be conducted on a barter basis, supplemented by the use of such precious metal as was available for the purpose. Thus, for example, the eighteenth-century Rhode Island merchants imported molasses from the West Indies, distilled it into rum, took the rum to the west coast of Africa, exchanged it there for slaves, and carried the slaves to the West Indies where they were sold and the proceeds used to purchase more molasses. Clearly, the financial limitations inherent in such a process would have been too great for the needs of nineteenth-century trading operations.

Fully as discouraging as these technical difficulties were the political obstacles. It was a frequent practice of monarchs to grant an exclusive monopoly in the trade of certain articles to a single individual or, somewhat later, to a single chartered company. The Royal Charter which created the British East India Company in 1600 granted to it for a period of fifteen years a complete monopoly in the Indian trade. Nine years later the grant was extended "forever" by King James I. The presence of numerous monopolies of this kind, however lucrative they may have been to the individuals concerned, had a restrictive effect upon the general development of international trade.

An even more vexatious political obstacle was the presence within many countries of numerous customs units. As national states emerged from the ruins of the feudal system, important municipalities and petty regional seigneurs frequently managed to retain the valuable privilege of collecting customs dues on goods which passed through their domains. Until the time of the Revolution, France was divided into three great customs districts, each of which collected both export and import duties, and within each of which numerous local tolls were exacted by the nobles, the church authorities, and the towns. It has been estimated that a boat laden with wine, passing from Languedoc to Paris in the middle of the eighteenth century, was compelled to pay no less than forty tolls before it reached its destination. It is not remarkable that such tolls often exceeded the value of the goods.²

Since the territory which is now Germany was at that time divided into some 350 political units, it is easy to understand why trade was slow in developing there. Even in the nineteenth century, after the number of these states had been reduced by the Congress of Vienna, Bismarck could still complain quite justly that "we have in Germany 63 different railway

² L. C. A. Knowles, *Economic Development in the Nineteenth Century* (London, 1932), p. 241.

provinces. . . . Each of these territorial governments is fully equipped with the mediaeval rights of staple rights, customs and toll, and arbitrary imposts on trade, for the benefit of its own private purse."³ Anyone who is familiar with the catastrophic effects of the trade barriers among the American states in the period of the Confederation can readily appreciate the importance of this German problem. Not until all internal trade barriers had been swept away by the closer unification of the great national states in the nineteenth century was it possible for intracontinental trade among the European nations to expand to impressive proportions.

Finally, there was the obstacle of insecurity. Today, when a shipper delivers his goods to a railway or steamship company, he has every reason to assume that, barring accidents or war, his goods will be safely delivered to the consignee. No such guarantee could have been given in the pre-industrial era. Merchants were compelled to send shipments of goods from one city to another under armed guard for fear lest highwaymen might fall upon them. And, when a merchant ship put to sea, it faced the ever-present danger of being overhauled by a pirate craft.

It is remarkable that international trade laboring under these difficulties developed in the seventeenth and eighteenth centuries as rapidly as it did. Actually, the impetus given to north European trade in the fourteenth and fifteenth centuries by the Hansa towns was continued chiefly by the Dutch who became the foremost trading people of Europe, a position which they retained until the end of the seventeenth century. Profiting by a favorable position at the mouth of the Rhine, they were able to provide the means whereby the woolens, furs, and timber of northern Europe were exchanged for the wines and silks of the Mediterranean region. Some idea of the Netherlands' position in international trade can be gained from the fact that in 1650 their merchant marine consisted of 10,000 ships manned by 168,000 sailors, and their shipyards were turning out a thousand new ships each year.⁴ The Portuguese had discovered the sea route around Africa at the end of the fifteenth century, but it was the Dutch and the English who, lured by the valuable spice trade and tales of the fabulous wealth of the Indies, established chartered companies at the opening of the seventeenth century for the exploitation of trade with the Orient.

Curiously enough, Great Britain's development as a great international trading nation came rather tardily. Until the time of Henry VIII British trade and commerce were largely in the hands of foreigners. Even as late as the seventeenth century a great London merchant could lament that "it is true that many merchants here in England finding less encourage-

³ *Ibid.*, p. 218.

⁴ J. Reynaud and G. Weulersse, *Life and Work in Modern Europe* (London, 1926), pp. 50-52.

ment given to their profession than in other Countreys and seeking themselves not so well esteemed as their Noble Vocation requireth . . . doe not therefore labor to attain into the excellencie of their profession."⁵ But times changed and when the revolution of 1688 scaled the victory of the middle classes and provided a sure guarantee against further arbitrary interference by the Crown, it was possible for the British to destroy successively both the Dutch and the French and to establish a belated but nonetheless complete supremacy of the seas. From 1763 on through all the vicissitudes of the Napoleonic Wars Britain retained the position that enabled her to make full use of her new industrial progress in order to achieve and maintain an unchallenged primacy in the field of international trade.

The dynastic struggles which embittered the relations of the great European states during these centuries were so frequent that the bulk of the actual international trade of the time was not so much among these states as between the European and the non-European portions of the world. As geographic knowledge extended its boundaries, and as the science of navigation improved, this became even more true than before.⁶ The standard of living was rising and capital was beginning to accumulate, at least to the point where many people could gratify their developing tastes for exotic products which were now being brought from distant lands. As far as possible, the growing imports of tea, coffee, silks, sugar, spices, etc., were paid for with the textiles and handicraft products which Europe could offer. Such possibilities, though, were distinctly limited for the non-European trading people had neither the need nor the desire for any considerable quantity of these products. Consequently, the developing international trade began to cause a serious drain upon European stocks of precious metal.

This being true, it was not strange that persons who were concerned with such matters took alarm and began to consider what the proper policy of a country toward international trade should be. As they viewed it, the true wealth of a state consisted primarily in the possession of an ample store of precious metal. If, year after year, imports exceeded exports, the difference would have to be supplied by exports of gold and silver. The goods imported would be consumed, the money would be gone, and the net result would be the gradual impoverishment of the state. Therefore, it was reasoned that a state should always export more than it imported in order thereby to ensure a steady influx of precious metal. To reduce imports to the lowest possible point, a wise state would encourage the domestic production of all possible goods and it would plant colonies abroad from which, without actual monetary loss to the mother country, most of the

⁵ Thomas Mun, *England's Treasure by Forraign Trade* (London, 1664), chap. I.

⁶ The sextant, for example, was not used until 1731.

needed articles, not produced at home, could be derived. These could be brought exclusively in ships of the mother country so that not even the carriage charges need be lost by payments to a foreigner.

This, briefly stated, was the mercantilist doctrine—a doctrine generally accepted during the seventeenth and eighteenth centuries as the wisest foreign trade policy for a state to follow. Princes approved of it because it seemed to assure a growing supply of precious metal at a time when enlarging armies and increasing administrative costs were beginning to weigh heavily upon their depleted treasuries. Domestic producing interests supported it because it stressed the desirability of consuming domestic goods rather than competitive foreign goods. Shipping interests were equally warm in their advocacy of mercantilism because it led, logically, to the enactment of rigid navigation laws restricting a country's maritime trade to ships owned and operated by its nationals. With such an array of supporting individuals and groups, it is not surprising that this doctrine should have reigned supreme until well into the nineteenth century, when it capitulated, temporarily at least, to the arguments of the Manchester school of free traders.

INTERNATIONAL TRADE DEVELOPMENT, 1800-1914

"*Laissez faire*" is the term most often used to characterize the international trade policy that dominated economic thought, and to a lesser extent, economic practice, during a large part of the nineteenth century. As elaborated by the Manchester economists, and as applied to commercial policy, it emphasized the mercantilist's failure to realize that international trade is a mutually beneficial process. If only the onerous trade barriers which cramped and made artificial the course of trade could be removed, each nation could specialize profitably in the production of those commodities for which it had the greatest natural advantage. By exchanging these efficiently produced articles in international trade for goods manufactured under similarly advantageous conditions by other nations, all would benefit. But this specialization in the production of goods for which there existed a natural advantage could be accomplished only if the process of international exchange were reasonably free from the restrictive barriers imposed by mercantilism. Consequently, the core of the *laissez-faire* doctrine was the principle of free trade.

Chief among its practical exponents was Great Britain. In the decade and a half following the repeal of the Corn Laws in 1846, the British government swept away old trade barriers and embarked on a free trade policy. This course was maintained throughout the remainder of the century and

when, in the election of 1906, the Liberal party won a sweeping victory over the Conservatives who, under the leadership of Joseph Chamberlain, were desirous of restoring a protective Empire trade policy, it seemed as if the British people had irrevocably committed themselves to the maintenance of free trade.

Other great states, however, had been less willing to adopt such a striking departure from past practice. Until the time of Louis Napoleon, France remained unswervingly loyal to the principle of high protection. That monarch had, however, spent years of exile in England where he had become a firm believer in free trade. The result was that, during the Second Empire, he brought about the abandonment of a high duty policy and concluded a series of low-tariff agreements, beginning with the famous commercial treaty with England in 1860. The twenty years which followed the conclusion of this Cobden treaty represent the high water mark of free trade. Only two states raised the level of their tariff walls during this period and most of the others effected substantial reductions. One student of commercial history has concluded that out of 2140 dutiable items in the tariffs of the leading trading countries in 1860, only 136 were increased between 1860 and 1880, while 900 remained the same, and 1104 were either reduced or removed entirely to the free list.⁷

Gradually, however, there was a general retreat from this position. The government of the French Republic needed money and Thiers was a protectionist. Step by step French duties were increased until, in the tariff of 1892, there was a complete break with past policy and a return to protection. In 1879, the newly created German Empire abruptly reversed the liberal trade policy of the *Zollverein* and adopted a protective tariff. Even earlier in the United States, where a protective policy had never been completely abandoned, there was a trend after the Civil War toward higher protection. Other states, like Russia, had never even considered a low tariff policy. It is true that the protective duties so widely imposed in the late nineteenth century did not by any means constitute a system as rigid as the old mercantilist policy had been; but it was not *laissez faire*. Except for England, Belgium, and the Netherlands free trade had made a greater conquest of the economic theorists than of those who actually formulated governmental policies.

These trends in commercial policy are intelligible only if they are placed in the setting of events. The industrial revolution, which had been born in England, had so completely shattered the old technical hindrances to large-scale production and distribution that Englishmen saw in free trade a policy which would enable them to use their new productive capacity

⁷ Cited in C. Day, *A History of Commerce* (New York, 1907), p. 349.

to the fullest advantage. The successful application of steam power to manufacturing now made possible the production of huge quantities of goods at a low unit cost. The same power when applied to land and sea transportation made it possible for these goods to be carried quickly and cheaply to far distant markets. Capital was beginning to accumulate rapidly and the new forms of business organization, notably the joint-stock company, provided an arrangement whereby large sums of money could be concentrated upon new enterprise. Also, the British had led the way in the development of a mechanism for financing this distribution of goods to the world market. Little wonder, then, that with all these advantages they should have been willing to tear down their trade barriers and to urge others to do the same. For Britain, an unimpeded entry into the great markets of the world was the prize which only the widespread adoption of free trade could secure.

From this point of view, it is easy to understand why other countries, envious and fearful of Britain's brilliant industrial progress, were desirous of safeguarding their own markets from an invasion of British goods—at least until their own "infant industries" could reach a position of effective competition. Understandable, too, was Bismarck's oft-cited criticism that "England abolished protection after she had benefited by it to the fullest extent. That country used to have the strongest protective tariffs until it had become so powerful under their protection that it could step out of those barriers. Free trade is the weapon of the strongest nation."⁸

With all these new industrial and commercial facilities, it is not surprising that nineteenth-century international trade was far more complex and diversified than that of previous times. Industrial processes were rapidly becoming more and more elaborate and, as they did so, they began to depend increasingly upon supplies of imported raw materials which had never been needed before. The Bessemer process for the cheap manufacture of steel, which was discovered in 1856, gradually opened the way for a host of new metallurgical developments involving the use of numerous alloys. When Charles Goodyear accidentally discovered the vulcanization of rubber in 1839, he made possible the growth of a new industry which was to become vital to modern civilization. As this rapid advance of science and industry continued, it created a demand in the industrial states for rare metals, rubber, petroleum, and a whole host of raw materials which began to figure more and more prominently in international trade.

This growth of industry naturally drew labor from the farms and villages to the factories. The strain of feeding a great and growing population with a depleted agricultural man power was partially relieved by prog-

⁸ Cited in W. S. Culbertson, *International Economic Policies* (New York, 1925), p. 13.

ress in the invention of new types of agricultural machinery, but in some countries, notably England, it became increasingly necessary to depend upon imported foodstuffs to make up the difference. Faster transportation over land and water, together with developments in refrigeration, made it possible for the English workingman to buy fresh meats and vegetables brought swiftly to him at a low cost from abattoirs and gardens thousands of miles away. And, even in the countries that were still fundamentally self-sufficient in food, these transportation developments created new food demands as they supplied tables with things which had hitherto been known only to travelers but which were now available to all. Also, more recently, the food demands of the northern states have been further affected by the fact that rapid transportation now can bring fresh vegetables and garden produce throughout the winter months from warmer regions. This has not only tended to relieve the intolerable tedium of winter diet but it has also provided a new and important item of international trade.

The growing trade in food and raw materials helped somewhat to swell the volume of European exports of manufactured goods to the non-industrialized portions of the world, for it meant that, since these people were now able to market more of their natural products, they had an increased purchasing power for European goods. This demand was further stimulated by the large-scale nineteenth century migration of Europeans to other continents. These emigrants took their tastes with them and the native peoples soon learned to imitate the desires of the whites. But, even so, nineteenth-century trade differed markedly from that of the past for it was characterized by a remarkable growth of commerce among the industrial nations themselves. It is fundamentally wrong to think of the prewar world as one in which a handful of manufacturing nations vied strenuously with each other for the markets offered by the nonindustrial peoples. It was true that they did this, but it was also true that they sold much more to each other, despite tariff barriers, than to those other markets. Germany, for example, was Britain's best customer in the prewar years. The reasons for this change in the flow of trade are twofold and obvious. First, the elaboration of industrial processes naturally led to an ever larger volume of trade in semimanufactures. Thus, for example, the British, and the world at large, found it cheaper and more satisfactory to import high-grade coal-tar dyes from Germany than to attempt to produce them at home. The Continental textile industries began to buy more cotton yarn from British mills. Second, the accumulation of capital in the industrial states had provided a higher mass purchasing power than could be found anywhere in the nonindustrial world. Here, and not in the tropics or the Orient, were the great consumption markets for the products of modern industry.

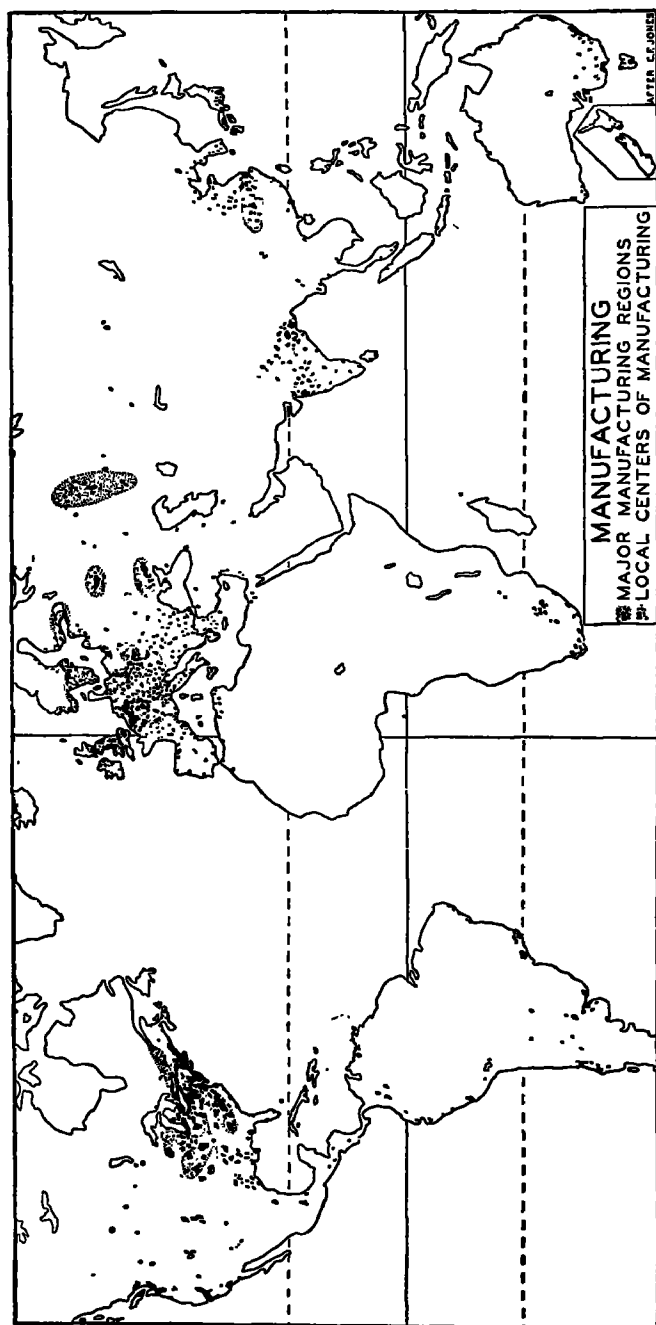


FIG. 21.—MAJOR MANUFACTURING REGIONS OF THE WORLD.

From Van Valkenburg, *Elements of Political Geography*. Copyright, 1939, by Prentice-Hall, Inc., reprinted by permission of Dr. C. F. Jones and the publishers.

Some idea of the rapid growth of foreign trade can be gained from the following table:

TABLE XVII
FOREIGN COMMERCE OF THE WORLD ⁹

Year	Aggregate Commerce (billions of dollars)	Per Capita Commerce (dollars)
1800	1.4	2.31
1850	4.0	3.76
1870	10.6	8.14
1880	14.7	10.26
1890	17.5	11.80
1900	20.1	13.02
1910	33.6	20.81
1913	40.4	24.47

Foremost among the countries which shared in this tremendous expansion was Great Britain. Her foreign trade, valued at \$301,320,000 in 1800, had increased to \$2,823,660,000 by 1870 and, by 1913, it had reached \$5,384,880,000.¹⁰ Gradually, however, as the century drew toward a close the British began to feel the pinch of new and formidable foreign competition. Although the United Kingdom had accounted for 20.8 per cent of total world trade in 1875, this percentage had declined by 1913 to 16.5. During the same period the United States's share of world trade rose from 8.3 to 11.2 per cent and the German share increased from 11.7 to 13.1 per cent.¹¹

Even more significant than these bare figures of general trade growth was the fact that American exports were rapidly becoming industrial as well as agricultural. By 1900, the United States had developed an industrial plant which could supply nearly all domestic needs and, profiting by the splendid natural advantages which the country enjoyed, it began to compete strongly in general world trade. The table on page 298 indicates the nature and rapidity of this change. By the time of the outbreak of the war, American exports of manufactures and semimanufactures had come to be more important than the combined export value of raw materials and crude foodstuffs. By 1913, the United States was supplying more than 10 per cent of the total imports (by value) of Argentina, Australia, Brazil, Canada, Chili, Cuba, Denmark, France, Germany, Italy, Japan, Mexico, the Netherlands, the United Kingdom, and Venezuela, while two of these countries,

⁹ Adapted from C. Day, *op. cit.*, p. 271, and H. M. Sinclair, *Principles of International Trade* (New York, 1932), p. 35.

¹⁰ R. H. Soltau, *Outline of European Economic Development* (London, 1935), p. 225.

¹¹ D. T. Jack, *International Trade* (London, 1931), p. 40.

TABLE XVIII

UNITED STATES EXPORT TRADE BY ECONOMIC CLASSES¹²
(Percentage of Total by Value)

Period	Crude Materials	Crude Foodstuffs	Manufactured Foodstuffs	Semi- manufactures	Finished Manufactures
1876-1880	32.2	23.9	24.4	4.5	14.9
1896-1900	26.1	18.9	24.0	9.6	21.3
1901-1905	30.3	12.2	22.2	11.3	24.1
1913	31.7	6.9	13.3	16.2	31.9

Canada and Cuba, were deriving over half their total imports from the United States.¹³

Other changes in the trend of international trade were beginning to appear. The British Dominions were also developing and their share of total world trade increased from 8.9 per cent in 1875 to 11 per cent in 1913. Conversely, the French share declined during these years from 11.6 to 7.8 per cent. As yet the Japanese were by no means formidable competitors in the field for, as late as 1913, they had less than 2 per cent of the world's trade.

Generally speaking, the period from the beginning of the nineteenth century to the outbreak of the World War was marked by a continuous trade expansion for all countries, and, as time went on, the rate of growth became constantly accelerated. Nevertheless, the British, especially, began to feel the pinch of competition in the later decades of the period. Their exports, for example, increased by 45 per cent from 1870 to 1900, but German exports doubled and American exports quadrupled. It was this trend which gave rise to the fears which the Conservative party unsuccessfully attempted to exploit in the 1906 election. As matters stood in 1913, three great powers dominated the export trade of the world. These three, the United Kingdom (13.94) per cent, Germany (13.11 per cent), and the United States (12.47 per cent), supplied in almost equal proportions nearly 40 per cent of world exports. No other country except France (7.24 per cent) had as much as 3 per cent of the total.

HOW PREWAR FOREIGN TRADE WAS FINANCED

Every operation in international trade requires the transfer of money from the currency used by the debtor to the currency used by the creditor.

¹² U. S. Dept. of Commerce Yearbook (Washington, D. C., 1929), p. 109.

¹³ For a brief discussion of American development, see G. Peel, *The Economic Impact of America* (London, 1928), chap. VI.

The process by which this transfer is accomplished is termed foreign exchange. To facilitate it, there developed in the past century a host of complicated banking arrangements. Some knowledge of these devices and their operation is essential for an understanding of international relations, for without such knowledge it is difficult to grasp such perplexing politico-economic problems as war debts and reparations, which have played so important a rôle in postwar affairs.

When an American importer orders a shipment of goods from England, the debt in dollars must be converted into pounds sterling. This conversion could be achieved before the War in two ways: the importer might have purchased the necessary amount of gold, packed it, and shipped it to England, where the creditor could have exchanged it for sterling; or he could have used a bill of exchange of some type. Obviously, payment by means of a gold shipment was feasible, but it was inconvenient, and the volume of international transactions was so great that, if this kind of payment had been used, a large part of the world's gold stocks would have been in constant movement. Modern exchange arrangements have been developed in order to prevent a situation of such obvious absurdity.

In order to understand how debts can be settled without the use of specie, it is necessary, first of all, to bear in mind that all nations, or rather their citizens, are engaged in importing as well as exporting. Just as there are at any given time a number of American importers who have debts to pay to English companies, so there are also American exporters of goods to England who thus acquire credits in sterling which must be converted into dollars. Theoretically, it is the function of the banks to bring these traders together, with the result that the American importers can pay the American exporters and the British importers can pay the British exporters. This does not mean, of course, that an individual importer actually pays an individual exporter; it means merely that the banks balance the two sets of obligations against each other and, if imports equal exports, the whole operation can be conducted without any movement of gold. This, in its simplest form, is the principle of foreign exchange.

The next part of the process is the fact that the larger banks of a country either maintain branches in other financial capitals or they keep deposits in one of the leading banks in each of the important countries. Consequently, when an American wishes to pay a debt to someone in England the ordinary method is to go to a bank, buy a draft for the required number of pounds, and send it by mail or cable to the creditor. When this draft is cashed, the sterling balance of the American bank is reduced to that extent. If, however, there are enough of these drafts sold, the bank's London deposits may run low. To replenish them, the bank buys sterling exchange, that is, it buys up debts owed by Englishmen to Americans, and these obligations are forwarded to London, collected, and deposited to the

bank's account. The price the bank will have to pay, i.e., the exchange rate, depends upon a variety of factors, chief among which are the familiar forces of demand and supply.

Fundamentally, one's ability to buy a draft in a foreign currency depends upon the existence of a supply of bills of exchange, and these in turn are produced by international trade. It is therefore imperative to understand what these bills are and how they get into the market. When an American sells a shipment of goods to an English company he can draw a bill of exchange against the importer; that is, he can prepare a formal order, addressed to the importer, requiring him to pay on demand or at a specified future time the agreed sum of money either to the bearer or to a stipulated person. The exporter can then present this bill to his American bank. The bank discounts it, that is, it pays the exporter the face value of the bill, minus a handling charge, in dollars. The bill is then forwarded to an English bank. If it is a time bill, usually a sixty or ninety day obligation, the bank may ask the English importer to signify his intention of honoring it when it comes due. This he does by writing the word "Accepted," together with his signature and the date, on the face of the bill. When the bill is presented, and payment is made, the amount (in pounds sterling, of course) is deposited to the account of the American bank in London. In this illustration it is assumed that the commercial standing of the British firm was so good that American banks would have no hesitation in buying the bill. When this is not true, the bank may simply act as the agent of the exporter and forward the bill for collection, or the importer may have his credit guaranteed by methods which will be described presently.

Variations in this process may be briefly mentioned. The English importer may secure a letter of credit from a London bank and send it to the exporter. The latter then prepares and sells his bill of exchange, which in this case is drawn on the London bank issuing the letter of credit. The American bank sends it to the London bank where it does its business. This bank presents the bill to the London bank on which it is drawn, and the latter then secures reimbursement from the importer. This arrangement makes it possible for an English firm which is unknown in America to offer guarantees of payment sufficient to induce the exporter to ship his goods, and sufficient to enable the bill to be sold readily in America.

It is important to note that a financial device of this kind makes it possible for two countries to carry on trading operations with each other even though their banks do not maintain direct financial relations. By way of illustration, let it be supposed that an Italian company orders a shipment of silk from China. Since the silk will be in transit for some time, the importers will not wish to pay for it until it actually arrives. Also, since the Chinese company may know little or nothing of the financial standing of

the Italian firm, the simplest way of handling the matter is through an acceptance house, say, in London. The latter is a financial establishment which, for a consideration, lends its credit to the importer. In other words, the acceptance bankers will agree upon request to honor bills drawn upon the importer. Notice of this arrangement is transmitted to China, and, when the silk is shipped, the Chinese exporter draws a bill of exchange, not upon the importer but upon the acceptance bankers, for the amount. Knowing the standing of the acceptance bank, the Chinese bank buys the bill, that is, it pays the merchant and sends the bill to its correspondent bank in London. This bank presents it to the acceptance bank where it is at once honored. When payment is made, the necessary documents which have been attached to the bill, and which will enable the Italian firm to claim the silk, are turned over to the acceptance banker. He in turn secures payment from the Italian importer just as if he had himself exported the silk from London to Italy. In other words, he may draw an ordinary bill of exchange against the Italian company, or the latter may buy a sterling draft from his banker in Rome and send it to London. When this is done, the documents from London are delivered in time so the silk may be claimed by the importer upon its arrival.

In this trading operation there were really two separate financial transactions, one between London and China, and the other between London and Italy. London supplied the credit and the financial mechanism and took a commission for so doing. This rather simple illustration indicates one of the ways in which London became the financial center of the world. Under such circumstances it was natural that the pound sterling, being on a sound gold basis, should have served as an international currency. Thanks to London, an Italian debt to China could be paid even though there had been no equivalent Chinese purchases of Italian goods. To state the matter in another way, the international position of London made it unnecessary for the exports from each country to each country to balance. All that was necessary was that a country's exports to all countries should be balanced by its imports from all countries.

It is obvious, though, that no exact balance between exports and imports can ever be maintained. How, then, can the difference be adjusted? Before answering this question it must be pointed out that it is not enough to match commodity exports with imports, for the so-called invisible items must also be taken into consideration. When American tourists travel abroad, they spend money, and the net effect is the same as if they had remained in America and ordered goods or services from abroad. Similarly, when Americans use services provided by foreign shipowners, foreign insurance companies, or foreign financial agencies, the fees paid for such services create a demand for foreign exchange and must be figured as imports.

Also, when immigrants in America remit funds to relatives or friends in a foreign country, a demand for exchange is created. Other items which figure as imports are new foreign loans and investments and interest payments on previous foreign investments in America. By reversing these situations, it is easy to set down the invisible items which create a supply of foreign exchange just as it is created by merchandise exports.

When aggregate debits (amounts payable) and aggregate credits (amounts receivable) are set down together, the picture which they present is termed the "balance of payments." As the term indicates, this is a comprehensive statement of the country's international financial position for the period included in the computation. If complete, it is truly a balance, for if a country has exported more goods and services than it has imported, the difference will be shown by a loan, by gold imports, or by an addition to the foreign balances of exchange dealers. The table on page 303 gives a recent statement of the balance of payments of the United States.

One of the outstanding features of the prewar commercial system was the relative ease with which equilibrium between countries could be maintained. For this, the international gold standard was partly responsible. Since nearly all countries had a fixed and legally defined gold content for their currency units, it was a simple matter to compute the normal exchange rate by comparing the number of grains of gold in each. This was termed the mint par rate of exchange. If trade between two countries became seriously unbalanced, the exchange rate would tend to move above or below this par. In other words, if a country had exported more than it had imported, the supply of foreign exchange in the exporting country would be large and the rate would be low. Conversely, it would be high in a country with a great import balance. The upper and lower limits of this fluctuation were known as the "gold points." When the rate of exchange became sufficiently high, it was cheaper to buy and ship gold in payment of a debt than to buy exchange. The rate at which it was cheaper to buy gold rather than exchange was the upper gold point. Similarly, there was a lower, or "import," gold point. In this way, the limits of exchange fluctuation were fixed, and shipments of gold served to correct current balances,

This arrangement depended for its efficiency upon two things: (1) the maintenance of a fixed gold content for currency units, and (2) the ability of any citizen freely to exchange currency for gold, or gold for currency, and to export or import gold as he wished. Also, this movement of gold had a tendency to remove some of the conditions which had produced the state of unbalance. When a country had accumulated a surplus of foreign credits, part of these would be converted into gold, and the gold would be shipped home to the creditor country. Theoretically at least, this influx of gold would tend to raise the commodity price level in the country, and as

TABLE XIX

BALANCE OF INTERNATIONAL PAYMENTS OF THE UNITED STATES, 1936-37¹⁴
(In millions of dollars)

ITEM	1936 (revised)			1937		
	Receipts from foreigners for "exports" (credits)	Payments to foreigners for "imports" (debits)	Net credits (+) or debits (-)	Receipts from foreigners for "exports" (credits)	Payments to foreigners for "imports" (debits)	Net credits (+) or debits (-)
Trade and service items:						
Merchandise.....	2,456	2,423	+33	3,345	3,084	+261
Merchandise adjustments ¹⁵	66	41	+25	79	42	+37
Freight and shipping.....	68	120	-61	107	210	-103
Tourist expenditures.....	139	497	-358	156	504	-438
Immigrant remittances.....	24	172	-148	25	170	-145
Charitable, educational, and other contributions.....	—	32	-32	—	35	-35
Interest and dividends.....	568	238	+330	608	278	+330
War-debt receipts.....	1	—	+1	16	—	—
Government transactions (excluding war-debt receipts).....	30	96	-66	29	126	-97
Miscellaneous services.....	191	68	+123	230	64	+166
Total trade and service items.....	3,543	3,696	-153	4,579	4,603	-24
Gold and silver:						
Gold exports and imports.....	28	1,144	-1,116	46	1,632	-1,586
Gold earmarking operations (net).....	—	—	+86	—	—	+200
Gold movements (net).....	—	—	-1,030	—	—	-1,386
Silver exports and imports.....	9	183	-174	9	92	-83
Total gold and silver movements (net).....	—	—	-1,204	—	—	-1,489
Capital items: ¹⁷						
Long-term capital movements ¹⁸	3,490	2,717	+773	3,183	2,661	+522
Movement of short-term banking funds (net).....	—	—	+404	—	—	+290
Miscellaneous capital items (net).....	—	—	-12	—	—	+5
Paper currency movements (net).....	—	—	+22	—	—	—
Total capital items (net).....	—	—	+1,187	—	—	+817
Other transactions and residual.....	—	—	+170	—	—	+676

¹⁴ U. S. Department of Commerce, *The Balance of International Payments of the United States in 1937* (Washington, D. C., 1938), p. 2.

¹⁵ The item consists roughly of 3 parts: (1) commodity exports and imports which are omitted entirely from the official trade figures (e.g., sale of ships, bunker-fuel purchases and sales, etc.); (2) exports or imports which are partly omitted from official trade data (e.g., unrecorded parcel-post shipments, goods smuggled into the country, etc.); (3) corrections of certain recorded trade figures for balance-of-payments purposes (e.g., allowances for possible overvaluations or undervaluations in export and import entries).

¹⁶ Less than \$500,000.

¹⁷ Capital items are viewed as "exports" and "imports" of evidences of indebtedness.

¹⁸ The item takes account of all reported security movements between the United States and foreign countries and includes international sales and purchases of long-term issues, new underwriting, sales and purchases of properties not represented by security issues, and security transfers resulting from redemption and sinking-fund operations.

the price level went up, imports would increase and exports would decrease, thereby checking the influx of gold and restoring a balance in foreign trade. When the balance was unfavorable, the efflux of gold would tend to lower prices, stimulate exports, and reduce imports. It was the function of the central banking authorities to use the devices at their command to prevent these trends from being sufficiently marked to have a disastrous effect upon business.¹⁹

There are several reasons why this gold standard worked so well up until the time of the World War. First and foremost was the fact that control over international finance was centralized in London, the one place where the supplies of capital, the techniques, and the financial agencies were adequate to handle the problem. Central banking was more highly developed there than anywhere else. Indeed, even in a country as large and as important as the United States, no genuine central banking institution was established until the last year before the outbreak of the War.

This emphasis upon the importance of London is not so much a tribute to the inherent excellence of the international gold standard as to the skill of those who controlled its operation. But there were two additional reasons why it did work so smoothly. One was the fact that the supply of gold continued throughout the entire period to be adequate for the world's needs. Despite the enormous growth in population, the supplies of gold which came from California, and later from South Africa, Alaska, and Australia, were great enough to meet the need. It is also important to note that this was a period during which credit devices were being rapidly multiplied and more widely used. This helped to make the gold supply adequate for the new needs of the world because it enabled business to be transacted without the actual use of a large amount of currency. The per capita note issue was of necessity much greater in a country such as France, where checks did not come into general use, than in such countries as the United States and Great Britain.

All in all, it looked as if the problem of financing world trade had been solved to the entire satisfaction of everyone. Except for the silver countries of the Orient, the gold standard was almost universally used and approved. The mechanism functioned smoothly and it seemed adequate to handle the complicated problems of a rapidly expanding volume of world trade. How illusory this hope was, can be understood only in the light of the havoc wrought to the system by the catastrophe of the World War.

¹⁹ See R. G. Hawtrey, *The Art of Central Banking* (London and New York, 1932). For a trenchant criticism of the actual operation of the gold standard, see G. Cassell, *The Downfall of the Gold Standard* (New York, 1936), chap. I.

XIII

THE INTERNATIONALIZATION OF INVESTMENT

SIDE by side with the amazing expansion of international trade in the nineteenth century there occurred another phenomenon which was destined to influence the whole pattern of future international relations. This was the large-scale migration of capital. From relatively modest beginnings the flow of investments across national frontiers increased decade after decade until, by 1914, virtually the entire world was involved in a nexus of debtor-creditor relationships. From a few great creditor centers there had been a constant flow of capital out to those portions of the world where there was not enough indigenous capital to finance the development of railways, factories, power plants, and all the other costly but necessary features of an advancing civilization in the power age. In turn there came back, if the investing countries were lucky, a supply of raw materials for their factories, food for their tables, and dividends for their purses. Sometimes these foreign investments were sound, benefiting alike the lender and the borrower. Sometimes they were foolish, resulting in a host of embarrassing complications for the borrower or in serious losses for the luckless investor. Sometimes these loans and investments brought governments into direct hostility as creditors sought to gain security through official intervention by their governments. But the significant fact is that, whether these investments were wise or foolish, they bound the economic, and sometimes the political, interests of both countries together inescapably. Just as the building of a railway into an untapped region with foreign capital would tend to enrich the lives and swell the incomes of the native inhabitants, so the failure of that railway to earn dividends or meet its bond obligations might affect the lives of hundreds or perhaps thousands of small holders of these securities abroad.

MOTIVES FOR FOREIGN INVESTMENT

The motives which led to the movement of large amounts of investment capital across political frontiers were numerous and varied. For pur-

poses of rough classification, a distinction may be drawn between the economic and the political motives, though in so doing it must be borne in mind that the two were quite often so interconnected that each depended in a measure upon the other. Economically, the considerations that have prompted foreign investment have been centered naturally enough around the desire for immediate or ultimate profits. Generally speaking, no great outflow of foreign investments takes place until there has occurred a considerable accumulation of capital seeking profitable investment opportunities. This does not mean, necessarily, that there will be no foreign investment until the domestic market has reached such a state of saturation that the investor must needs place his funds in foreign securities or enterprises in order to realize a fair return. It means, rather, that there must be an accumulation of capital for investment purposes sufficiently great that its earning power at home is less than can be obtained through foreign investment. When this stage has been reached, there will still be opportunities for domestic investment, but, since money is plentiful, the interest rate will be generally lower than the anticipated return, after allowance for risks, from investment in foreign enterprises. Then, and usually not until then, will the outflow begin.

It frequently happens that this diversion of capital into foreign channels will be checked either by a sudden feeling of insecurity, produced usually by political or economic instability within the borrowing country, or by the development of new industries at home which, because they require large amounts of initial capital, will make the domestic market once more as attractive as foreign issues to the ordinary investor. This has happened in all investing countries and the fluctuations in the volume of foreign investment can often be traced to this source. Thus, for example, there was much American interest at the turn of the century in territorial expansion as an aid to profitable foreign investment. The subsequent decline in this interest can be ascribed to the great development of domestic industry during the next few years.

Domestic demand and supply situations are not the only factors that stimulate a flow of foreign investments. The problem of taxation is also a force which may influence an investor's decision to purchase foreign securities or to make direct foreign investments. In the past, many countries which have desired to attract foreign capital for the development of natural resources or the construction of large-scale public works, have offered, as an added inducement, to exempt such enterprises wholly or in part from all taxation for an extended period of years. This was one of the features of the famous Baghdad Railway concession granted by the Sultan of Turkey in 1903. A more recent example may be found in the terms of the

revised oil concession granted by Iran in 1933 to the Anglo-Iranian Oil Company.¹

Another inducement is the possibility of escape from tariff duties. When a large organization, such as the Ford Motor Company, is engaged in a lucrative export trade, it may be able to escape at least a portion of a foreign tariff duty on its products by building an assembly plant in the foreign country. If the market is a good one, and if this method is not adequate, it may be more advantageous to build a complete plant where, under American managerial supervision, automobiles may be constructed and offered for sale in the foreign market. In the same way, an oil company may find it advantageous to establish a separate foreign distributing company or to build a refinery abroad rather than to import the finished petroleum products from its own American plants. Evidence of this can be shown by the fact that as early as 1907 the Standard Oil Company of New Jersey was operating sixteen foreign distributing companies.

Other motives have to do with patent rights and preferential access to foreign markets. Some countries, notably Canada, will cancel patent rights unless the patentee begins the domestic manufacture of the patented article within a stated time. Patent rights are also canceled if the patentee attempts to import the articles in question. Another factor particularly responsible for the migration of American manufacturing to Canada is the desire to have access to the markets of the British Empire. As the Dominions and, later, the United Kingdom, moved in the direction of preferential duties on goods of Empire origin, it became increasingly advantageous for American manufacturers to establish Canadian branches in order to secure this favored access to the Empire. Up to the time of the recent depression, American factories had established 524 branches in Canada while they had only 453 in all Europe.²

Another economic motive is the procurement of a supply of raw materials. When an industry uses large quantities of raw materials which cannot be produced at home, it may find it desirable to acquire control over a source of supply abroad. Rubber provides an excellent illustration of this. Long before the War the United States Rubber Company and the Good-year Company were busily engaged in buying up rubber plantations in Sumatra and the Malay Peninsula. By 1935 these two companies had acquired plantations with a total area of 226,460 acres. When the Stevenson rubber restriction plan began to affect the position of American tire companies, the Firestone organization turned to Africa and, in 1924-25, acquired a concession in Liberia involving a 99-year lease on 1,000,000 acres to be

¹ *The Near East and India*, XLII, 451.

² C. Lewis, *America's Stake in International Investments* (Washington, D. C., 1938), p. 599.

located and developed by the company. In 1936, this company began the construction of a gigantic rubber factory in Liberia. Another example is provided by the United Fruit Company. Although primarily engaged in transporting bananas from Central America to the American market and to Europe, this concern owns and operates the Costa Rican railway and numerous banana plantations, as well as a fleet of steamships for the movement of its fruit.

The motives which lead to foreign lending and investment are often partially political as well as economic. This is especially true when governments are the borrowers. Not all governments have used their creditor status as a deliberate weapon of diplomacy, but such a policy is by no means unknown. Before the World War, when the two sets of rival alliances in Europe were constantly jockeying for advantage, it was natural that each should seek to draw the smaller powers within the orbit of its influence by means of financial control. Bulgaria may be cited as a case in point. Weak and needy, this government sought foreign loans with such success that its external debt rose from 26.4 million gold francs in 1888 to 850 millions in 1914. In 1912, when the Bulgarian government was trying to get another loan in Paris, Isvolsky, the Russian ambassador, wrote to Saint Petersburg that "the French government is disposed to facilitate the Bulgarian loan in Paris only because the Russian government declared that Bulgaria, after having formed a secret agreement with Serbia, had firmly decided to ally itself with the Entente."³

In the case of a weak European state, a debtor position naturally leads to a condition of political dependence upon the creditor, for when the indebtedness becomes large the ability of the debtor to disentangle itself progressively declines and the creditor is in a position to impose more and more political conditions upon the granting of fresh loans. In any case, financial domination is a first step toward political domination. Italian relations with Albania may be mentioned in this connection. In 1931, the Italian government began a series of annual loans to Albania for a period of ten years. These loans, which were to bear no interest, were to be expended under the supervision of Italian advisers, and it was made clear that the annual payments would depend on "the continuation of full and sincere technical and political collaboration between the two governments." Long before the annexation of the country by Italy in 1939, the National Bank of Albania (the sole bank of issue in the country) and the Albanian Economic Development Company were both under Italian control, and virtually all the civil and military policies of the country were being dictated from Rome.⁴

³ *Livre Noir, Diplomatie d'Avant-Guerre d'après les Documents des Archives Russes* (Paris, 1923), I, 283.

⁴ E. Staley, *War and the Private Investor* (Chicago, 1935), pp. 235-48.

As Professor Staley remarked, apropos of the pre-1939 situation, "Italy is not 'exploiting' poverty-stricken Albania in an economic sense. Indeed, it would be more in accord with the economic facts to say that Albania is exploiting Italy, for Albania has received Italian capital on which no responsible banker would expect an economic profit. What Italy has done is to assure itself of the political and military control of Albania by judicious loans and investments instead of by resort to armed forces."⁵

A similar and well-known example was the policy of Tsarist Russia toward Persia. The rulers of Persia were notoriously extravagant even for Oriental monarchs and their governments were corrupt from top to bottom. With the use of funds which were largely borrowed from France, Russia adopted a liberal lending policy in order to exploit Persian weakness and so to gain an influence which might lead to a foothold on the Persian Gulf. The full story of Anglo-Russian rivalry in Persia is too involved to be recounted here but it is a telling illustration of the use of the financial weapon of diplomacy.⁶

In general, it may be said that when governments interest themselves in encouraging foreign loans and investments, it is usually because they wish to acquire some form of control over the political authorities of the debtor area. In the case of a weak neighbor, such control may be merely that which is derived from an acknowledged state of financial dependence, but when the government encourages investments in undeveloped regions, it may be with a view of colony-making. Sometimes, of course, there may be no thought of dependence but merely the desire to assist another state which is already allied politically with the creditor state. Of this order were the huge French prewar loans to Russia which, though made by private investors, were openly encouraged by the government. So, too, were the inter-Allied loans during the World War. On occasion the United States has used its financial position to grant loans to needy South American states on far more favorable terms than if the financing had been handled by private banking houses.

It should not be assumed from this brief discussion that all international investments have been politically inspired. By far the greater part of the nineteenth-century flow of capital occurred without any evidence of ulterior political motives. Nevertheless, foreign investments may aid diplomacy and, in turn, diplomacy may encourage and protect investments. There has been enough connection between the two to make it possible for unfriendly critics to find ample illustrations to support their contentions. The difficulty is that motives for foreign investment have been so varied that general

⁵ *Ibid.*, pp. 247-48.

⁶ See P. T. Moon, *Imperialism and World Politics* (New York, 1926), pp. 273-81.

conclusions, even when based on a number of cases, are frequently untrustworthy.

TYPES OF FOREIGN INVESTMENT

There are several ways in which foreign investments might be classified. One may distinguish, for example, between short- and long-term investments. The former, which is primarily concerned with the financing of international trade, represents only a temporary expatriation of capital. Since these short term investments, save in exceptional circumstances, are of secondary importance to the student of international affairs, those which are considered in this chapter are all, or nearly all, of the long-term variety.

Another basis of classification is that which separates investments into the *direct* and *portfolio* types. A direct investment is one which results from the decision of a group of businessmen to build and conduct an enterprise on foreign territory. Portfolio investments are those in which an investor buys the securities of a foreign government or corporation. Still another classification, which seems the best for the purposes of this chapter, is one which is based on the actual parties to the affair. This produces a fourfold division—two types in which the government is the active agent and two in which private nationals are the investors.

First, there are the loans made by one government to another. Though historically and politically important, these have not been numerous in time of peace. Ordinarily, and for rather obvious reasons, borrowing governments prefer to carry on their foreign financial long-term dealings with private banking houses. As in the previously cited case of Bulgaria, bankers may be actively encouraged by their own government, but, even so, they carry on their operations as private individuals and not as government representatives. Only when a loan to a foreign government is politically imperative but is too risky financially or too large for private banking interests does the government ordinarily take a hand. The Italian government loans to Albania were of this character and an even better illustration may be seen in the inter-Allied financing during the World War.

Equally infrequent is the type of financing in which a government either invests directly in a foreign private enterprise or in a domestic enterprise operating abroad, or, as a third variant, agrees to guarantee or subsidize such an enterprise. The interests of a government in such enterprises are primarily strategic but there have been cases in which a government guarantee represented merely the act of yielding before the pressure brought by private citizens who demanded some form of additional security for

their investments. The first type, that of government participation, is exemplified in the relationship of the British government to the Anglo-Iranian (formerly the Anglo-Persian) Oil Company. When it was recognized by the British Admiralty that the navies of the future would in all probability burn oil rather than coal, this was coupled with the uncomfortable realization that the British Empire, despite its vast size, contained almost no important oil fields. However, a few years before one William D'Arcy had come to London bearing a concession from the Shah of Persia to exploit all the oil resources of that country except those in five northern provinces. This seemed to offer a golden opportunity to assure an excellent supply of oil in an area (the Persian Gulf) which was safely under British political domination. The result was that, in 1914, the British government purchased a controlling interest in the D'Arcy Company, the Anglo-Persian and it now holds 7,500,000 ordinary shares, 1000 preferred shares, and £199,000 in 5 per cent debenture stock.⁷

The same policy has been followed by the French government. It owns 35 per cent of the stock of the *Compagnie française des Pétroles*, but this is a controlling interest, for the representatives of the government who sit on the Board of Directors "may demand a three-fourths majority of all shareholders for the approval of acts of the company which involve foreign policy or naval or military policy."⁸

Another illustration of this combination of private and governmental capital engaged in foreign enterprise may be seen in the case of the South Manchurian Railway Company. After Japan had forced Russia, by the treaty of Portsmouth, to cede to her the Russian lease for the railway line from Port Arthur to Changchun (now Hsinking), it was necessary to form a company to utilize the lease. In 1906, the South Manchurian Company was formed for this purpose. Half the capital was provided by the government and half by private groups to whom a minimum 6 per cent return was guaranteed by the government. The chief officials of this company are appointed by the government. From the beginning, the South Manchurian line has unceasingly expanded its controls through a host of subsidiary companies, and today it has investments in seventy-four different corporate enterprises and, as the table on page 312 indicates, it exercises a controlling interest in a great many of the latter. Its total assets are listed at ¥1,983,062,478.

⁷ *The London Times*, 21 March 1929. See also A. Mohr, *The Oil War* (London, 1926), chap. VIII; and A. Zischka, *La Guerre secrète pour le Pétrole* (Paris, 1933), chap. II.

⁸ Librairie Sirey, *Recueil général des Lois et Arrêts*, 1932, Part IV, pp. 394-404, provides a good brief summary of the history of the company. See also G. de Labarrière, *La Compagnie française des Pétroles* (Brest, 1932).

TABLE XX
CORPORATE INVESTMENTS OF THE SOUTH MANCHURIAN COMPANY ⁹

Industry	Authorized Capital (ooo Yen)	Percentage of Shares Held by the Company
<i>Manufacturing</i>		
Showa Steel Works.....	100,000	100.0
Manchuria Chemical Industry.....	25,000	52.0
Toa Tobacco.....	11,500	0.1
S. Manchurian Sugar Refinery.....	10,000	2.6
Japan-Manchou Magnesium.....	7,000	50.0
Dowa Automobile and Machine Co.....	6,200	46.7
Manchurian Gunpowder Marketing Co.....	500	10.0
Manchurian Flour Milling Co.....	5,750	0.5
Manchurian Petroleum Co.....	5,000	40.0
Oriental Nitrogen Co.....	5,000	30.0
Shoko Glass Co.....	3,000	40.0
Darien Oil Refining Co.....	3,000	0.5
Manchuria Cotton Spinning Co.....	2,500	25.0
Fushun Cement Co.....	2,500	100.0
Nippon Paraffin Refining Co.....	2,000	100.0
Manchuria Soya Bean Industry.....	1,500	53.5
Mammo Woollen Mfg. Co.....	2,500	6.0
<i>Mining</i>		
Manchou Colliery Co.....	16,000	50.0
Manchuria Gold Mining Co.....	12,000	41.7
Shantung Mining Co.....	5,000	44.0
Fuchow Mining Co.....	500	46.0
S. Manchurian Mining Co.....	600	70.0
Kaiping Mining Co.....	(£ 2,000)	2.5
Manchuria Mining Development Co.....	5,000	50.0
Manchuria Lead Mining Co.....	4,000	50.0
Great Manchuria Gold Mining Co.....	200	50.0
<i>Transportation, etc.</i>		
Chosen Railway Co.....	54,500	0.3
Manchuria Telephone and Telegraph.....	50,000	7.0
Dairen Steamship Co.....	25,700	100.0
Nichi-Manchurian Storage Co.....	10,000	100.0
International Express Co.....	5,000	100.0
Chinfu Railway Co.....	4,000	2.3
Manchuria Aeronautical Co.....	3,850	43.0
<i>Exchange, Trust, Insurance, Etc.</i>		
Eastern Asia Industrial Co.....	20,000	0.3
Chu-Nichi Industrial Development Co.....	5,000	1.2
Dairen Fire and Marine Insurance Co.....	2,000	33.3
Harbin Exchange.....	2,000	12.5
Hsinking Exchange and Trust Co.....	1,000	51.4
Mukden Exchange and Trust Co.....	500	50.0
<i>Hotels</i>		
Ryoto Hotel Co.....	1,000	55.0
Tangkangtzu Hot Springs Co.....	1,000	50.5
<i>Newspapers</i>		
Manshu Nichi-Nichi.....	750	100.0
Sheng King Shih Pao.....	350	57.0
Harbin Nichi-Nichi.....	200	75.0
Manchuria Daily News.....	100	48.0

⁹ *Japan-Manchukuo Year Book, 1937*, pp. 1012-13. This is only a partial list.

The purchase by Great Britain of 176,000 Suez Canal shares in 1875 is a good illustration of a direct governmental investment in a privately controlled foreign enterprise. The immense importance of the canal as a vital link in the new "life line" of Empire was fully realized by the astute Disraeli and he seized the opportunity provided by the financial embarrassment of the Khedive of Egypt to purchase from him a total of 44 per cent of the outstanding shares.¹⁰

At times, the rôle of the government has been confined to that of subsidizing or otherwise guaranteeing a foreign loan or investment enterprise. Thus, for example, France agreed, in 1902, to pay an annual subsidy to the French-controlled company which was endeavoring to construct a railway from the French Somaliland port of Jibuti to Addis Ababa, the Ethiopian capital. The company, in return, accepted conditions which gave the French government virtually full rights over the line. France has also subsidized a railway which runs from Indo-China to the capital of the neighboring Chinese province of Yunnan. This last case also exemplifies the policy of government guarantee, for France supplemented its subsidy by guaranteeing an income of three million francs a year on a 76,000,000 franc bond issue by the company.¹¹ Early in 1939 the British government attempted to expedite its "Stop Hitler" drive by providing export credit guarantees. With the consent of the Treasury, the Board of Trade was authorized to offer such guarantees where it seemed expedient "in the national interest." A total of \$300,000,000 was made available for this purpose in July 1939, and it was anticipated that most of the money would be used to assist the small friendly states in central and eastern Europe to purchase large orders of British-made war materials.¹²

The United States has made some use of the same financial weapon to check the expansion of German trade and influence in Latin America. Lacking an adequate supply of free exchange, many Latin American states have been compelled to enter into barter arrangements with Germany and Italy even though many of the products which they receive are inferior or otherwise undesirable. In 1939, the United States granted commercial credits to Brazil and Paraguay, thus enabling Brazil to relax her exchange controls against the importation of American products. Having done this, Brazil was then able to refuse the acceptance of further special "compensated" marks from Germany and to request the Italian government to pay cash for coffee which formerly had been shipped to Italian ports in barter

¹⁰ It may be remarked, parenthetically, that it was good business as well as good imperial strategy for, on the original investment of £4,000,000, plus a commission of £100,000 to the Rothschilds who advanced the money, Britain had received by 1933 a total return of £38,000,000.—SIR ARNOLD T. WILSON, *The Suez Canal, Its Past, Present, and Future* (London, 1933), p. 157.

¹¹ Staley, *op. cit.*, p. 281.

¹² *The New York Times*, 7 July 1939.

exchange for Italian products. Shortly thereafter, the Nazi authorities began a press campaign to convince the German people that bathing the hands and face in cold water was quite as stimulating as a cup of coffee.

There are also cases in which governments have guaranteed private investments by their nationals in foreign government securities. The British government guaranteed an Egyptian public works loan in 1885, and thirty years before it joined with France in guaranteeing a loan to Turkey. As a more recent example, reference may be made to the Austrian reconstruction loan of 1922. Badly in need of financial assistance and lacking adequate security, Austria appealed to the League of Nations. The result was a scheme whereby Great Britain, France, Czechoslovakia, Italy, Belgium, Sweden, Denmark, and the Netherlands agreed to guarantee various percentages of the loan.¹³

Foreign investments by private citizens may be of several types. Excluding direct investments, there are two general classes. The first of these consists of an investment in foreign government securities. Government loans floated by wealthy countries are usually absorbed for the most part at home, but poorer countries are compelled to turn to foreign money markets. This, incidentally, is one of the oldest forms of foreign investment. Monarchs of the Middle Ages frequently lacked the necessary funds to carry on their wars and they were compelled to apply for aid to the international bankers of the time. The Fuggers and the Lombard financiers have left records of numerous transactions of this kind.¹⁴ Modern examples of this type of investment are numerous. In the prewar era, English and French financiers arranged large loans for the governments of Egypt, Turkey, Morocco, Persia, Serbia, Bulgaria, and a host of other states, including nearly all of those in Central and South America.¹⁵

In the interval between the end of the War and the onset of the depression, the money markets of London and New York were busy with a vast number of loans to foreign governments and their subdivisions, financing in Germany being extremely extensive. Although the depression reduced the volume of these dealings, the existing importance of this type of foreign investment can be illustrated by the list on page 315 of foreign government issues on the London Exchange on a recent typical day.

Even more common is the purchase of private securities by foreign nationals. Financial houses in creditor countries regularly offer their clients issues of foreign railway, industrial, and commercial securities. An examina-

¹³ League of Nations, *The Financial Reconstruction of Austria* (Geneva, 1926), p. 39.

¹⁴ See R. Ehrenberg, *Capital and Finance in the Age of the Renaissance, a Study of the Fuggers and Their Connections* (London, 1928), pp. 67 ff.

¹⁵ The Russian public debt in 1914 amounted to nearly nine billion roubles, half of which was held abroad, chiefly in France. L. Pasvolksy and H. G. Moulton, *Russian Debts and Reconstruction* (New York, 1924), pp. 17-21.

TABLE XXI
FOREIGN GOVERNMENT ISSUES¹⁶

Make-up Mar. 1	Feb. 15	Name of Stock	Price Yesterday	Rise or Fall	Make-up Mar. 1	Feb. 15	Name of Stock	Price Yesterday	Rise or Fall
FOREIGN STOCKS AND BONDS									
100%	101	Arg. 4% 1900.....	100¼	1¾	42½	43	Do. 7% 1924.....	41¾	3¾
		Do. 3½% Conv.....	83¾	4¼	51½	51½	Hungarian 7½% Stg.	60½	2½
100½	100¾	Do. 4½% Conv.....	100¾	1¼	28	28	Do. Counties 7½%...	24	6
		Do. Trust 4% "A"....	104½	6½	18	18	Italian Rentes.....	15	20
115½	115½	Do. 5½% "B".....	115	16	60	59½	Japan 4% 1899.....	60½	1½
94½	95¼	Do. 3% (max) "C"....	94	5	78¾	78¾	Do. 5% 1907.....	79½	80½
98	98¾	Do. 4% "Roca".....	97½	8½	59	59	Do. 4% 1910.....	59½	60½
88½	88½	Austrian 4½%.....	88½	¾	87	86½	Do. 6% 1924.....	86¾	7¾
101½	101	Do. 7%.....	101½	2½	79½	79½	Do. 5½% 1930.....	80¾	1¾
100½	100¼	Belgian 3%.....	100	½	9¾	10¼	Mexican 5% 1899.....	9½	10
98	98¾	Do. 4%.....	98¾	¾	10	10¾	Do. 6% 10 - year		
70½	71¾	B.A. (Prov.) 3½%...	70	1			Treasury Bonds.....	9½	10
27¼	27¾	Brazil 4% 1889.....	24¾	6	91	91	Midi Rly. 4% Stg.....	92	4
100¾	100	Do. Fdng. (1898)....	100	1	105	105	Nord Rly. 6% Stg....	103½	4¼
26	26¾	Do. Resen. 4%.....	23½	5½	117	117	Norway 4% 1911.....	105	20
44	42½	Do. 5% 1903.....	39½	40½	91	91	Orleans R. 4% Stg....	92	4
26	27¼	Do. 4% 1911.....	23	5	3¾	3¾	Peruvian Cp. Ord.....	3¾	¾
31¾	31¾	Do. 5% 1913.....	27¾	9¾	14	13¾	Do. Pref.....	13¾	¾
87	87	Do. Fdng. (1914)....	85	6	75½	72	Do. 6% Deb.....	75¾	6¾
47¾	47¾	Do. 6½% 1927.....	46	7	27	24½	Peru 6% Ex.....	25¾	7¾
88	90	Do. 20-yr. Fdg. 'A'..	85½	6½	53	53	Do. 7½% (Guano)...	54	6
78¾	80	Do. 40-yr. Fdg. 'B'..	76½	7½	75½	81½	Poland 7% 1927.....	58	62
96½	96½	Do. 4% 1936.....	95¾	6¼	82	82	Portuguese 3% 1st S..	80½	2½
24½	24½	Bulgarian 7% 1926..	23¾	5¾	28½	28½	Rio de J. 5½% Cn. Ln	24½	6½
23½	22	Chilean 4½% 1886...	24	6	37	38	Roumanian 4% Ext....	39	41
24	22	Do. 5% 1896.....	24	6	19	20	Do. 4% Con. 1922...	18½	19
24	22	Do. 5% Ann. "C"....	24	6			Do. 4½% 1913.....	17¾	19¾
26½	25	Do. 7½% 1922.....	26½	8½			Russian 5% 1906.....	¾	1¼
26	24½	Do. 6% 1926.....	25½	7½	43	44	Do. 4% 1889 Sec. 1..	½	1
104	103	Chinese 4½% 1898...	102¾	3¾	39	39	San Paulo Bk. 6% A	40	2
		Do. Boxer.....	101	2	46½	45½	San Paulo 8%.....	36	8
100½	100½	Do. 4½% 1908.....	100½	1	99¾	98¾	Do. 7½% Stg. Bds...	43¾	4¼
91½	87½	Do. 5% 1912.....	93½	5½	103½	103	Do. 7% Coffee.....	98½	9¾
96½	95¼	Do. 5% 1913.....	96½	7¼	76	75½	Siamese 4½%.....	101¾	2¼
		Do. 8% Nta. '25-9...	38	40	2½	3½	S. Manchurian 5%...	75¾	7¾
35½	34½	Colombian 6% '20....	30	3	103½	104	Turkish 7½% 1933...	2¾	¾
105	108	Czechoslovakian 8%..	107½	8½	90½	100	Do. 4% Tribute.....	101½	3½
		Danish 4% 1913.....	108	18x	65½	65½	Do. 3½%.....	98½	100½
104	104½	Egyptian Unifed.....	101¾	2¼			Uruguay 3½%.....	65	6
99½	100	Do. 3½% 1890 Pf....	98	9	CORPORATION STOCKS, &c.—FOREIGN				
125	125	Finl'd 4½% R. Bds...	120	30	23½	23½	Berlin City 6% 1927..	22½	4½
		French 4½%.....	17½	18½	81	81	Danzig 7% 1925.....	67	9
16¾	17½	Do. 4% Brit. Iss....	16½	17½	—	—	Denmark 4% 1936...	100	1
61¾	59½	German 7%.....	61	2	98½	98½	Frage 7½% 1922.....	97	9
41	40	Do. 5½%.....	40¾	1¼	01½	101	Seine 4½% Bonds....	102¾	3¾
79	79	Do. Potash 7% Bds...	78½	9½	173	72	Tokyo 5% 1912.....	70	2
34½	35	Greek 6% Stab.....	33½	5½	77½	77	Do. 5½% 1926.....	70½	8½

tion of the financial pages of any metropolitan newspaper will indicate the range and variety of these offerings.

In each of these cases the rôle of the financier is the same. Having been approached by the representatives of the government or the private enterprise which wishes to secure money by the sale of securities, the financial house that agrees to undertake the operation duly advertises it and offers it to the public, taking a percentage commission. Often all, or nearly all,

¹⁶ *Financial News*, 10 March 1937.

of the investment is passed on to small banks and private investors. In rare cases the financial houses themselves absorb part of the offering, passing along to the investing public only that portion which they do not wish to keep for themselves.

THE PROBLEM OF GOVERNMENT CONTROL

Since nearly any of these forms of private foreign investment may ultimately involve the governments of the countries concerned in political difficulties, it is obvious that the foreign offices of debtor and creditor states alike must maintain a close interest in the borrowing and lending activities of their citizens. The policies which have been adopted in this connection by the various states are far from uniform. When it is desired to keep foreign capital out of a country, it is comparatively easy to enact legislation which will effectively discourage it. By nationalizing the mineral wealth, or by providing that mineral rights cannot be held by noncitizens, or by blocking exchange so that profits cannot be taken out of a country, any state can make itself uninviting to a foreign investor. As will be seen in a subsequent chapter, such practices are quite common and the current trend is toward their increase. But more important for the purpose of the present discussion is the policy of the creditor state and the extent and character of its interference with the lending process.

First of all, a creditor government may use its political power to support its nationals in their attempt to secure concessions or other investment opportunities. Before the World War this was a common practice. The debtor government would be urged through diplomatic channels to grant the desired concession or, in the case of an international consortium, to grant a share of the enterprise to the creditor group concerned. In this way, both Secretary of State Knox and President Taft brought pressure to bear upon the Prince Regent of China when, in 1909, it appeared that American financiers might not be allowed to participate in an international development project for China. This policy, customarily stigmatized as "dollar diplomacy," was also followed by Great Britain. Defending it in 1914, Sir Edward Grey said:

. . . I regard it as our duty, wherever *bona fide* British capital is forthcoming in any part of the world, and is applying for concessions to which there are no valid political objections, that we should give it the utmost support we can, and endeavor to convince the foreign government concerned that it is to its interest as well as to our own to give the concessions . . . to British firms who carry them out at reasonable prices and in the best possible way.¹⁷

¹⁷ *Parliamentary Debates, House of Commons, Fifth Series, LXIV, 1446.*

It was wholly natural, in view of the possible international complications arising from an outflow of foreign investments, that creditor governments should have felt it advisable to exert some control over the process at its source. In this respect British policy is naturally one which has tended to command a wide influence elsewhere. Typical of the methods of Downing Street, official control is exercised flexibly and informally. There is no law on the statute books by which a London financial house may be compelled to secure governmental approval before it agrees to a foreign loan. Despite this fact, there has always been a general understanding that a project of any importance will be discussed with persons in the Bank of England or in the Foreign Office, in order that the government may have an opportunity to present to the financiers the political objections, if any, which it may have. There seems to be no question as to the efficiency of this method, which leaves "the City" theoretically free to do as it wishes, but which in reality provides the Foreign Office with all the control it needs. No one knows how often British financiers have been dissuaded by the government from carrying out a proposed loan but it has been often pointed out that, while they were theoretically free to do so, British interests made virtually no loans to Russia during the decades of Anglo-Russian rivalry over Persia, whereas almost immediately after the Anglo-Russian settlement in 1907 a large Russian loan was floated in London. It is also noteworthy that when, in 1903, the British government decided not to support the Baghdad railway project, the London banks which had already opened negotiations on the matter promptly withdrew.¹⁸

The reasons why Britain has traditionally preferred this informal method were set forth by Sir Edward Grey in a debate to which reference has already been made. Speaking in the light of his experience in the Foreign Office, he said:

British financiers run their business quite independently of politics, and, if we attempt to interfere, they naturally consider that we come under some obligation. If they do some particular thing, either in granting or withholding a loan, to oblige the Foreign Office, then, of course, we come under some obligation and I do not think that it is a desirable system. It is much better that we should leave them to deal with these matters of loans. I do not say that there are no cases in which loans have a political character and in which financiers came to the Foreign Office and ask if there is any objection to them. But generally speaking, and especially in South America, these are things in which the Foreign Office does not interfere.¹⁹

This traditional British practice has been modified to a considerable extent in the postwar period. The crisis of 1931 proved so alarming that;

¹⁸ H. Feis, *Europe, the World's Banker, 1870-1914* (New Haven, 1930), pp. 89 ff.

¹⁹ *Parliamentary Debates, House of Commons. Fifth Series, LXIV, 1448-49.*

in the following summer, the Chancellor of the Exchequer "requested" "the City" to refrain from any new issues, domestic or foreign. Shortly thereafter this prohibition was relaxed insofar as domestic or Empire issues were concerned, but no foreign issues were permitted until July 1934, when the ban was partially lifted in order to favor the sterling bloc of countries and other foreign borrowers who would agree to use the proceeds of the loan in such a way as to favor British industry.²⁰ Two years later, in April 1936, there was a change in the technique of government control. A Foreign Transactions Advisory Committee was empowered to advise the Chancellor of the Exchequer from time to time concerning the advisability of general or particular restrictions on foreign lending. All foreign issues, whether public or private, must be submitted to this committee for approval. Ostensibly, at least, the approval of the committee is to be based upon all relevant facts concerning British financial relations with the borrowing country. Recently (February 1938), the embargo on foreign loans was relaxed to the extent that the committee was authorized to consider applications except those involving loans to foreign governments or public authorities. It now appears that this new departure, involving a greater measure of formal governmental control over foreign lending, has become a permanent part of British practice.

In sharp contrast, the French government has always maintained a policy of formal and official regulation of the foreign lending activities of its nationals. This is done by means of a legal provision that no issue of foreign securities can be listed on the French Bourse unless it has received official approval, which means in practice that both the Ministry of Foreign Affairs and the Ministry of Finance must approve the issue. Permission may be withheld without any public explanation and it is clear that political conditions are often attached as the price of official permission.²¹ In 1931, for example, it was reported that a proposed loan to Yugoslavia by the *Banque de l'Union Parisienne* would require the Yugoslav government to pledge formal support to the French policy of opposition to the recently announced Austro-German customs union.²² In general, it may be said that the French government has used its power rather more openly than the British in order to open the gates of French credit to politically friendly borrowers, to close them to unfriendly or doubtful states, and to use the credit power wherever possible as a weapon to enhance the diplomatic position of France.²³

²⁰ Royal Institute of International Affairs, *The Problem of International Investment* (London, 1937), p. 79.

²¹ Feis, *op. cit.*; C. K. Hobson, *The Export of Capital* (London, 1914), p. 74.

²² *The New York Times*, 20 April 1931.

²³ The affirmative attitude of French bankers is illustrated by the following excerpt from the annual report for 1910 of the *Comptoir National d'Escompte*: ". . . in the selection of

The prewar German government followed a policy of indirect control, urging banks and financial houses to consult with the Foreign Office before arranging for foreign loans. This consultation was not required by law but, since the government could prevent the issue of foreign securities which it regarded as politically undesirable, the banks invariably sought official approval before undertaking any important foreign financial operations.

At the present time the control exercised by the Nazi government in Germany is the most rigorous of all. All foreign lending, except such credits as are arranged by the government, is strictly prohibited. No German citizen may purchase any foreign securities, and the export of German currency, except in extremely small amounts for personal use of travelers, is forbidden under penalty of death.

Because the United States was in a debtor position until the outbreak of the World War, there was no need for a government policy concerning foreign lending. But the need arose abruptly when the sudden emergence of the United States into a great creditor position brought home to the State Department and to the financiers alike, but for different reasons, the importance of a fixed policy. The government had no power to prohibit American money lenders from making a contract with a foreign borrower but there was no disposition at Washington to adopt a negative attitude and stop with that. On the contrary, the government, shortly after the inauguration of President Harding, began to engage in conversations with New York bankers and on 3 March 1922 the Department of State issued a statement in which it said that "in view of the possible national interests involved" it desired all American financiers to inform the Department of contemplated loan transactions so that there might be an opportunity to express an objection to those which might be politically undesirable. In so doing, the Department made it clear that it would "not pass upon the merits of foreign loans as business propositions, nor assume any responsibility whatever in connection with loan transactions." It was the government's view that in this way, without assuming any legal relationship to the process, it might aid in guiding American lending power into channels that were politically as well as economically productive.²⁴ This policy, which was modeled upon British practice, was completely inadequate to meet the needs of the American situation. It failed to prevent an orgy of

securities which we offer to our clientele we undertake, as a rule, not only to seek security of investment, but also to take into account the views of our government and the political and economic advantages that may be obtained for France by the loans contracted by other countries."

²⁴ A clear explanation of official American policy is to be found in an address given by Dr. A. N. Young, economic adviser to the Department, before the Williamstown Institute of Politics, 6 August 1924.

reckless foreign lending, the consequences of which were to be so disastrous alike for the United States and the world.

THE PROBLEM OF INVESTMENT PROTECTION

Government responsibility in a creditor state does not always stop with this preliminary scrutiny. In the past, it has frequently happened that foreign investments, both direct and portfolio, have been jeopardized by the inability of debtor governments to assure general political stability, or, in some cases, even the sheer physical protection, necessary to safeguard investments. Under such circumstances it is only natural that alarmed investors should have turned to their own governments, demanding direct and effective action to prevent the threatened loss.

The response of the creditor governments to their alarmed nationals has not followed any uniform pattern. In the nineteenth century it was generally assumed that a creditor government was entitled to take strong measures, even up to the point of actual military intervention, if it saw fit to do so. As recently as 1927 President Coolidge championed this right, saying: "The fundamental laws of justice are universal in their application. These rights go with the citizen. Wherever he goes, these duties of our government must follow him. . . . The person and property of a citizen are part of the general domain of a nation even when abroad."²⁵ In pursuance of this policy the United States has at times intervened in China, Mexico, and several of the Caribbean countries. Similarly, this justification has been used by Japan in Manchuria, by Great Britain in Egypt, and by France in parts of North Africa. In all these cases other factors have been partly responsible for the intervention, but investment protection has figured prominently in all of them.

In most cases in which governments have actually used force or the threat of force to protect the property or the investments of their nationals abroad, they have done so because such intervention, or the threat of it, would serve important political and diplomatic ends of the creditor government. Thus, the British intervention in Egypt, in 1882, was not unconnected with the fact that the completion of the Suez Canal (1869) had given Egypt a new and vital strategic importance to the future of the British Empire. In the same way, American intervention in the Caribbean has been motivated, at least in part, by the desire to prevent any other creditor state from exercising its right of intervention. From the American point of view, this would be undesirable, not only because such an intervention would constitute a violation of the Monroe Doctrine, but because

²⁵ *The New York Times*, 26 April 1927.

it might complicate the defense of the approaches to the Panama Canal.

It should not be assumed from this, however, that states will refuse to extend any aid to nationals whose foreign investments are endangered unless the creditor government has a political end in view. On the contrary, it is customary for a state to use diplomatic pressure and, in some cases, to threaten retaliatory action in order to force debtor governments to give adequate protection to foreign investments. It is customary, also, for a state to use its influence in an effort to prevent a debtor state from enacting legislation which would be discriminatory or otherwise unfairly detrimental to the interests of foreign investors. The long controversy between the United States and Mexico concerning American oil interests in that country is a familiar illustration of this tendency. The great difference is that, in most instances, creditor states are not willing to resort to actual military intervention unless there are interests broader than those of investor protection to be served.

This problem is a complicated one. In many weak debtor states, governments are traditionally unstable and revolutions are unpleasantly frequent. Under such circumstances, rulers have often sought foreign loans, ostensibly for public works and other developmental projects. Actually, a considerable part of the proceeds is diverted into the privy purses of the ruling clique. The latter then attempt to provide a measure of financial security against the day when a spin of the wheel of fortune will eject them from office. When the anticipated revolution occurs, the new rulers, desirous of emulating their predecessors, are often disinclined to assume the large financial obligations which they are expected to inherit. In such a situation many a bitter international controversy is born. The debtor government will argue, quite naturally, either that the foreign creditors were unwise in granting such extensive loans, or that, realizing the risk involved, the creditors had protected themselves in advance by exorbitant handling charges and interest rates. The creditor state usually bases its position on the sanctity of financial obligations. Since there is a measure of justice in both contentions, it is often difficult to reach an amicable settlement.

For a long time debtor states have insisted that it is wholly unreasonable for a creditor state to intervene by force for the purpose of collecting the debts due its nationals. This, they have contended, is a greater measure of protection than that given by a state to its nationals who invest their savings at home. First formulated in the middle of the nineteenth century by Señor Calvo, an Argentine jurist, this argument was elaborated by Dr. Drago, the Argentine Foreign Minister, immediately after the threatened intervention, in 1902, of Great Britain, Germany, and Italy in Venezuela. The cause was taken up by the United States whose representatives presented it to The Hague Peace Conference of 1907. After some argument

the Conference adopted the proposal, retaining, however, the qualification that a state might intervene if the debtor refused to arbitrate the dispute or, having agreed to submit the matter to arbitration, refused to carry out the award. Even this qualification was displeasing to Latin America and the governments of that region continued to press for the adoption of a completely unqualified guarantee. The United States hesitated to accept such an unqualified limitation upon its freedom of action, but eventually, however, the administration of President Franklin D. Roosevelt, anxious to convince Latin America of the sincerity of its "Good Neighbor" policy, agreed at the Montevideo Pan-American Conference in 1933 that no state had a right, under any circumstances, to interfere by force in the affairs of any other state.

To summarize it may be said that, while the right of forcible intervention for the purpose of investment protection has not entirely disappeared, it is no longer the direct menace to weak debtor states that it was half a century ago. Creditor states may still protest and, if their protests are ineffective, they may adopt measures of retaliation, such as the imposition of discriminatory tariff duties or the adoption of a discriminatory quota on imports from the debtor; but they will seldom go beyond this step unless, as in the case of Japan in Manchuria, there are other interests to be served—interests so important that intervention for investment protection is a convenient and effective pretext.

THE FLOW OF CAPITAL

Throughout the nineteenth century Great Britain enjoyed an international financial supremacy quite as extensive as her domination in the sphere of international trade. Not only was there more money available for export in London than elsewhere, but British investors were somewhat less timid than those in other countries about risking their funds in foreign enterprises, a fact which may have been due largely to the wider knowledge of foreign conditions uniquely available in London because of the volume and spread of British overseas trade. In the graphic words of Herbert Feis, one might come to the London investment market "with a collection of treaties bearing the smeared symbols of an African chief, a survey map of projects located in India, suitable for tea-growing, a concession for a power plant in some South American town, the prospectus of a new bond issue of the Erie Railroad, and find some door open to you, some dim office where your treaties, maps, concessions, and prospectuses would be taken as familiar chances."²⁶

²⁶ *Op. cit.*, p. 9.

Year after year this flow of funds into the Empire and into foreign lands continued. In times of financial stringency, such as the period from 1875 to 1879, both borrowers and lenders were wary and the flow declined to a mere trickle. In better times it amounted to as much as \$1,000,000,000 a year. For many years prior to 1914 it regularly exceeded \$500,000,000 a year. The result was that, by 1914, Great Britain had total foreign investments of approximately \$20,000,000,000, which was more than twice the amount of any other lending country.

This investment was profitable, too, for at current prices the average income derived from it was estimated in 1909 to be approximately 5.2 per cent, and this rate would have been much higher had it not been for certain low-yield Indian and colonial loans.²⁷ Many investments had, of course, been lost, for the British had engaged in countless pioneering enterprises some of which had failed to yield fruitful returns. The high percentage of direct investment can be illustrated by the fact that whereas between 75 and 90 per cent of French foreign investments were in bonds, chiefly government issues, only 35 per cent of British foreign funds were so invested. This meant that British investors had placed their funds in a wide variety of enterprises. From the numerous calculations which have been made by Feis, Hobson, and others, it appears that approximately 40 per cent of British investment was in railroads, securities of which nearly half was in the United States, and some 30 per cent in loans to Dominion, colonial, and foreign governments and municipalities. The remaining 30 per cent was distributed over dozens of different enterprises.

Geographically, British investors had gradually turned away from Europe as that continent approached financial self-sufficiency, and had tended to concentrate upon the Empire, the United States, and Latin America. The Empire alone accounted for nearly 60 per cent of British overseas investments. Central and South America had 15 per cent, the United States had 10 per cent, while all of Europe including Russia had only about 7 per cent.

The other prewar lending centers entered the field much later and their foreign operations remained unimpressive in comparison to those in London. After a period of recovery from the burden of debt and reparation resulting from the war with Prussia, France gradually became a lending center of some importance. The accumulation of funds which made this possible was due to a multitude of small savings rather than to the earnings of large-scale enterprise. By 1913, French financiers had exported a total of 45,000,000,000 francs (\$8,685,000,000), two-thirds of which had been invested in the years since 1885. Of this total amount, 60 per cent was

²⁷ Sir George Paish, "Great Britain's Capital Investments in Other Lands," *Journal of the Royal Statistical Society*, September 1909.

in Europe—a striking contrast to English policy—and no less than 25 per cent of it was in Russia. Of these ill-fated Russian loans, which were forced upon the investing public by the combined pressure of the government and the centralized banking system, and zealously misrepresented by a press that was all too frequently in the pay of the Russian government, a great English economist has observed that “[they] reached the utmost limit of magnitude and imprudence. . . . No investments have ever been made so foolish and so disastrous as the loans of France to Russia, and on a lesser scale to the Balkans, Austria, Mexico, and Brazil between 1900 and 1914.”²⁸ Outside Europe, French investments were widely scattered. Only 9 per cent of the total was in the colonies, 13 per cent was in Latin America, and the remaining 18 per cent was distributed rather evenly in Asia, North America, and Africa.²⁹

The striking German economic development during the period after 1870 did not result in any early flow of foreign investments. On the contrary, large-scale industrial growth at home was so rapid and so continuous that it absorbed most of the available funds. Moreover, there was no great *rentier* class, as in France, which could contribute to overseas financing. In time, German financiers began to participate in international investment, but the more desirable offerings continued to go to the older capital markets in London and Paris, and the Germans did not speedily develop the skill necessary for successful competition. By 1914, total German foreign investments, including the colonies, amounted to approximately 25,000,000,000 marks (\$6,000,000,000).³⁰

As has been indicated, the United States in 1914 was just beginning to emerge from a debtor position. While this country was in process of attaining its economic maturity, European capital had contributed heavily to the development of American industry and transportation. It has been estimated that, by the eve of the War, foreign investments in the United States amounted to \$7,090,000,000 in par exchange values. To offset this, there was developing a gradual repatriation of American securities held abroad and a growing volume of American foreign investment, both agricultural and industrial, in Canada, Cuba, and Mexico. Since the 1914 total of these investments amounted to about \$3,500,000,000, it may be concluded that the United States was a debtor nation to the extent of \$3,590,000,000.³¹ Most of this American capital export had been carried out by large corporate enter-

²⁸ J. M. Keynes, “Foreign Investments and National Advantages,” *Nation* (London), 9 August 1924.

²⁹ On French investments, see relevant portions of H. Feis, *op. cit.*, and H. White, *The French International Accounts, 1880-1913* (Harvard University Press, 1933), *passim*.

³⁰ H. Feis, *op. cit.*, p. 71.

³¹ For estimates see C. Lewis, *America's Stake in International Investments* (Washington, D. C., 1938), p. 546, and Royal Institute of International Affairs, *op. cit.*, pp. 128-31.

prises and comparatively few foreign securities had ever been offered to the general investing public. The psychology of American finance, if such a term is permissible, was distinctly unprepared for the rôle which the catastrophe of war was so soon to thrust upon it.

Thus, as matters stood in 1914, there was one great creditor country, Great Britain, and several other countries, including Belgium, Switzerland, and the Netherlands, which had attained a modest creditor status. As for the rest, those states which combined a debtor status with obvious political weakness had at times undergone the unpleasant experience of the use of pressure by creditor governments. Against this menace some debtors had rebelled and succeeded in securing a measure of protection by means of international legislation. As protection, the Hague guarantees were clearly inadequate except, perhaps, for the most glaring abuses of creditor practices, but their existence did attest the fact that creditor and debtor alike recognized the economic value of foreign investment. The basic problem, namely, the maintenance of this value free from the danger of international political entanglements, had not then, and has not to this day, been solved.

XIV

THE DEBT BURDEN: POLITICAL AND OTHERWISE

THE COSTS OF WAR

When the die was cast in 1914 and the powers prepared to contest by force for the victory which they had been unable to achieve by diplomacy, few, if any, of the statesmen of the belligerent countries had any conception of the costs of the struggle into which they were plunging. The wars of the immediate past had been numerous but short, and as guides for the newborn war they were to prove sadly deceptive. Mr. Lloyd George told the House of Commons, 17 November 1914, that although Britain had never spent more than seventy-one million pounds a year in other wars, he estimated that a full year of the present war would cost not less than 450 million pounds.¹ In other words, the Chancellor of the Exchequer thought that, since past British wars had never cost as much as a million dollars a day, an allowance of six million dollars a day should be ample. Actually, the British war costs did begin at that figure but they rose thereafter with staggering rapidity until by the fall of 1917 they had reached thirty-eight million dollars a day, which was more per hour than the maximum daily cost of previous wars to Britain. Proportionately, the same was true of all the belligerents. During the last year of the War French expenditures averaged nearly twenty-five million dollars a day and, during the final months, American expenditures alone amounted to more than fifty-five million dollars a day.

Consequently, when the War ended, the contestants on both sides had expended as direct costs, including loans, approximately 270 billion dollars, or more than seven million dollars an hour for the entire period. If an attempt is made to add to these immediate costs the indirect charges, such as trade losses, damages to civilian property, and the pensions, hospitalization, and other continuing costs, the estimates reach astronomical proportions.²

¹ *Parliamentary Debates, House of Commons, Fifth Series, LXVIII, 350.*

² For an early estimate, see E. L. Bogart, *War Costs and Their Financing* (New York, 1921). More recent estimates are to be found in J. M. Clark, *The Costs of the World War to the American People* (New Haven, 1931).

The figures cited above give some indication of the financial burden which fell upon the belligerent governments. To have met such fantastic charges solely out of increased taxation was as impossible financially as it would have been disastrous politically. Indeed, in 1918, all the belligerents except the United States and Austria-Hungary spent more on the war than their entire national income had been in 1913. The result of this dilemma was that, with the exception of Great Britain, and to some extent Japan, the warring states made little effort to increase taxes, preferring instead to secure funds through the politically safer method of borrowing.³ Practically all the Belgian war costs and 95 per cent of the Russian costs were financed by loans. In general, it has been estimated that the War was financed by the following methods: 69 per cent in domestic loans, 10 per cent in loans from allies, 1 per cent in loans from neutrals, and the balance by taxation.⁴

For the Central Powers, shut off as they were from the world markets, the War involved a forced reliance upon domestic materials. But the Allies, with the sea lanes and the world markets open to them, had another problem. Not only did they, too, have to resort to inflation—the note circulation in France more than doubled during the first year of the War—but they also had to procure some means of paying for the vast supplies of food and war materials needed from abroad. Their ordinary export trade had all but disappeared as their industries were converted to war uses, and existing foreign balances were quickly swallowed up by the abnormal imports. These balances had to be restored without the shipment of gold.⁵ In reality, only two methods were available: the sale of foreign securities and the flotation of foreign loans. Both Britain and France endeavored to persuade or coerce their citizens who held foreign securities to exchange them for an equivalent amount of domestic currency. During the course of the War, the British liquidated about one-fourth, and the French one-half, of their foreign investments.

But even this method was insufficient and the Allies were compelled to turn first to private bankers and then, as this source proved inadequate for the huge sums which were needed, to the one remaining possibility: inter-governmental loans. Until the spring of 1917, when the United States entered the War, Great Britain acted as chief banker to the Allies—a natural rôle in view of Britain's financial strength and the world-wide acceptability

³ In France, tax returns declined during the War. Taxes yielded 4.1 billion francs in 1913 but in 1918 they yielded only 7.3 billion paper francs, which amounted to only 2.1 billions at the prewar value. R. M. Haig, *The Public Finances of Post-War France* (New York, 1929), chap. II.

⁴ *Encyclopædia Britannica* (14th ed.), XXIII, 345.

⁵ Not only did the Allies place an embargo on gold, as a measure of currency protection, but they attempted to collect as much gold in the form of ornaments and plate as their citizens would contribute.

of sterling. By 1917, British government advances had reached a total of nearly 4 billion dollars and Great Britain had herself borrowed 1.25 billions by the sale in America of Treasury bills and by sterling loans floated in Wall Street. France had loaned approximately 500 million dollars to Russia, Belgium, Serbia, and Greece, but she had borrowed more than this amount from the British government and had sold another half billion in Treasury bills to private British investors. In addition, France had negotiated American loans totalling nearly 700 million dollars. From the other neutral money markets the Allies had borrowed nearly a billion dollars.⁶

What with huge and repeated internal bond issues, these vast foreign commitments, and a persistent failure to win a decisive military advantage, it is little wonder that by the end of 1916 Allied credit had become sensibly weaker. America was still willing and able to send an endless stream of wheat, copper, and other war materials to Europe, but only if the Allies could pay for them—and at high prices. The Allies could pay if, and only if, Americans would lend them the money to do so. Since private credit was approaching exhaustion, the only remaining alternative was the government, and, as soon as the United States had decided to enter the War, the Allies made it clear that, however much they would welcome the sight of American troops in the trenches, their greatest immediate need was for credit.

This was the genesis of the famous war-debt question. Complying with the Allied request, the American government borrowed huge sums from its citizens by the sale of "Liberty Bonds" and then opened credits in the Federal Treasury in behalf of the Allied governments. By the end of the War these advances had exceeded seven billion dollars. To this sum must be added three billions in postarmistice loans, making a grand total of more than ten billion dollars drawn by the Allies from the American Treasury. Most of this money had been spent in the United States, and virtually all of it unproductively; that is, it had not been utilized in such manner as would make the loan self-liquidating. On the basis of official figures, it may be estimated that approximately 21 per cent of this sum had been spent in munitions, 21 per cent on cotton and exchange, 25 per cent on food, tobacco, and other supplies, and nearly 15 per cent on the repayment of short-term and other previous obligations. This percentage distribution shows clearly how little the use of the loans had provided the Allies with ways and means of meeting an ultimate demand for repayment.

The following table indicates the American obligations of the various

⁶ On Allied war financing, see A. W. Kirkaldy, *British Finance during and after the War* (London, 1921), G. Jèze and H. Truchy, *The War Finance of France* (New York, 1927), and F. F. Smith, *War Finance and Its Consequences* (London, 1926).

borrowing countries as they stood on 15 November 1922, when the last loans had been made:

TABLE XXII
LOANS MADE BY THE UNITED STATES AS OF 15 NOVEMBER 1922 ⁷

Borrowing Country	Principal	Interest to Date	Total
Armenia	\$11,959,917.49	\$1,677,256.88	\$13,637,174.37
Austria	24,055,708.92	2,886,685.08	26,942,394.00
Belgium	377,123,745.94	60,073,383.65	437,197,129.59
Cuba	7,740,500.00	.....	7,740,500.00
Czechoslovakia	91,887,668.65	14,404,536.67	106,292,205.32
Estonia	13,999,145.60	2,089,625.66	16,088,771.26
Finland	8,281,926.17	1,012,436.10	9,294,362.27
France	3,340,746,215.16	503,386,035.61	3,844,132,250.77
Great Britain	4,135,818,358.44	611,044,201.85	4,746,862,560.29
Greece	15,000,000.00	750,000.00	15,750,000.00
Hungary	1,685,835.61	202,300.28	1,888,135.89
Italy	1,648,034,050.90	284,681,434.61	1,932,715,485.51
Latvia	5,132,287.14	643,576.87	5,775,864.01
Liberia	26,000.00	3,518.85	29,518.85
Lithuania	4,981,628.03	747,244.20	5,728,872.23
Nicaragua	170,585.35	.....	170,585.35
Poland	135,662,867.80	17,618,809.01	153,281,676.81
Rumania	36,128,494.94	5,864,104.34	41,992,599.28
Russia	192,601,297.37	39,712,670.78	232,313,968.15
Serbia	51,104,595.58	7,994,087.92	59,098,683.50
Total	\$10,102,140,829.09	\$1,554,791,908.36	\$11,656,932,737.45

The only other net creditor power was Great Britain. In war and reconstruction advances the British had credits totaling 1.5 billion pounds, which was approximately one and one-half times the amount of the British debt to the United States. France, too, had certain credits, but she was a net debtor and all the other belligerent states were debtors with no credits to offset any of their obligations. If one includes domestic war borrowings with these international debts, the total public debts were staggering. Britain, with a total war borrowing of \$28,456,295,250, had increased her public debt by more than 1100 per cent. France had borrowed a total of \$24,250,377,000, thereby enlarging her public debt by 1550 per cent. The United States had entered the War with a small public debt but, by 1929, the War had cost this country a total of \$37,573,960,119 net.⁸

⁷ *Combined Annual Reports of the World War Foreign Debt Commission* (Washington, D. C., 1927), p. 10.

⁸ J. M. Clark, *op. cit.*, Appendix A, p. 297. See also W. Withers, *Retirement of National Debts* (New York, 1932), p. 15.

REPARATIONS

Faced as they were with disorganized markets, the problem of demobilizing millions of men, hospitalization and care for the disabled, shattered public credit, and a fantastic debt burden, the harassed Allied finance ministers wondered if any solution short of complete collapse could be found. The one solution which seemed to be available was as inevitable politically as it was destined to be disastrous economically. If German aggression had caused all this expenditure, why should not Germany be forced to pay the price of her folly? Such reasoning could not fail to be popular among Allied taxpayers and especially so in France, for the French *rentiers* now were beginning to realize with a sinking feeling that, unless the Germans could be made to shoulder the burden, the government bonds which they had bought as patriotic investments were in all probability worth little more than the paper on which they were printed. Even in England common sense had given way to momentary hysteria, and the "khaki" election of 1918 was won with the twin slogans of hanging the Kaiser and making Germany pay the entire cost of the War.

Accordingly, the first consequence of the appalling public debts which the Allies had contracted was the desperate decision to force the whole burden upon the defeated powers. Few persons paused to consider the feasibility of such a step for, as Paris and Brussels and Rome viewed the matter, there was no possible alternative except chaos. Moreover, such a solution fitted neatly into the determination of France to make the most of this hard-won opportunity to crush utterly her prostrate enemy.

The immediate result of this decision was the preparation of lists of damages which could be presented to the Germans at the Peace Conference. These became so elaborate with each new reckoning that the Peace Conference was forced to postpone temporarily the computation of the final charges. In the meantime, however, Germany was required by the treaty (Part VIII) to accept in theory full responsibility for the damage caused by the War, to agree that full payment should be made for certain categories of subjects, and to pay a million pounds on account before 1 May 1921, at which time the final bill, to be prepared by a special reparations commission, should be presented.⁹

The Peace Treaty had given the Reparations Commission no authority, in fixing the total charges, to consider the German capacity to pay, and in

⁹ In this chapter, which is designed to explain the effects of the War upon international finance, it is impossible to discuss in any detail the long history of reparations. Among the many books on the subject the student may profitably refer to J. W. Wheeler-Bennett and H. Latimer, *Information on the Reparation Settlement* (London, 1930); J. W. Wheeler-Bennett, *The Wreck of Reparations* (London, 1933); Sir Andrew McFadyean, *Reparations Reviewed* (London, 1930); and E. Salin (ed.), *Das Reparationsproblem* (2 vols., Berlin, 1928).

the following months, it was amply demonstrated that the peacemakers had no intention of preparing a modest bill. When the commission finally reached a decision, it announced that Germany was to be responsible for charges totaling 132 billion gold marks (\$33,000,000,000). Under the pressure of military sanctions, the German Reichstag reluctantly approved this staggering settlement.

The immensity and the portent of this addition to the financial burdens left by the war can scarcely be exaggerated. Germany was economically prostrate. Her stocks of industrial raw materials had been completely exhausted by the demands of the War and the effects of the successful Allied blockade. Her food supply was dangerously low and malnutrition was taking its dreadful toll in infant mortality. The issue of paper money had already reached four times the prewar volume and it was secured only by a gold reserve of one-half of one per cent. Moreover, the Peace Treaty had provided that no credit on reparations account should be given for the confiscated merchant marine or for the public buildings and other improvements located in Alsace-Lorraine and the former German colonies. On the one hand, an almost fantastic bill was presented, while on the other, the treaty seemed to make every effort to prevent Germany from applying to reparations such few transferable assets as she then had. There can be no doubt but that future historians will regard these financial aspects of the treaty as a tragic blunder.¹⁰

The ink was scarcely dry upon this preposterous settlement when the solidarity of the Allies began to disappear. The warnings of Keynes had exerted a distinct influence upon many Englishmen in public life among whom there was a growing feeling that the financial terms imposed upon Germany were so impossible of fulfilment that they would retard recovery until they were modified. This sentiment was coupled with a rapidly developing irritation over the intransigent attitude of the French, who, under the influence of M. Poincaré, were unwavering in their belief that, since Germany could pay if she really wished to do so, she must be made to pay by the use of the only weapon which she respected—force! The English business world viewed with alarm this French desire to keep Germany in a prostrate condition. For them, the War was over and, being primarily concerned with the world economic outlook, they knew from their long experience with international economic affairs that the scars of the War would never be healed until Germany was restored to a state of economic health. As they viewed it, the German reparations burden would injure rather than benefit Britain, for Germany could only hope to meet her payments

¹⁰ No student of postwar affairs should fail to read J. M. Keynes, *The Economic Consequences of the Peace* (London, 1920). This brilliant analysis by one of the leading English economists was the first dispassionate inquiry into the true nature of the settlement.

by forcing exports and reducing imports. Forced exports would involve bitter competition for those overseas markets which Britain wanted for herself, while reduced imports would prevent Germany from becoming once more what she had been formerly, namely, the best single foreign market for British goods. Moreover, the British, in reaching this conclusion, had not lost sight of the fact that by the Spa agreement (1920) Britain was to receive only 22 per cent of the Germany payments, while France was to receive 52 per cent.

While this rift between Britain and France was rapidly widening, the Germans were having a difficult time. A resumption of their export trade was not possible without a preliminary restocking of industry. This required a great volume of temporary imports. But Germany could not import on a large scale and pay reparations at the same time. The result of this dilemma was inevitable. On 15 January 1922, Germany announced that she could not make the payment of 400 million gold marks due on that date and begged for a temporary moratorium. Though granted, this was of little help and by early summer the Berlin government had resorted to an inflation which soon escaped all control. By July the mark had fallen to 2000 to the pound. Three months later it had reached 35,000 and by the end of the year it touched 50,000.

Pursuing relentlessly his policy of force, M. Poincaré, backed by Italy and Belgium, overrode the opposition of the British representative on the reparations commission and, by a vote of three to one, declared Germany in default. On the following day, 10 January 1923, French troops made their entry into the Ruhr. The German government replied to this sanction by a policy of passive resistance which, though naturally popular throughout the Reich, could not delay the financial collapse then imminent. By June, an English traveler could get 500,000 marks for a pound and as the wild orgy of inflation continued the mark sank until by the middle of August the exchange rate stood at the fantastic figure of twenty million marks to the pound.

On 26 July, the Berlin correspondent of the London *Daily Mail* wrote that "the cashiers of my bank handed me 4,000,000 marks in 1000 mark notes, each worth less than half a farthing. He obligingly did them up for me in a neat paper parcel which I afterwards put on the table of the restaurant where I lunched and unpacked when the waiter brought the bill." Ten days later (7 August) he reported that "the printing presses are going day and night. We are getting 10,000,000 mark notes in circulation and are soon to have 50,000,000 mark notes." By 10 August he recorded: "Yesterday my chop at luncheon cost 600,000 marks but today it cost 1,500,000. An omelette *aux fines herbes* cost 10,000 marks today but tomorrow it will cost at least 20,000. . . . Butter, 500,000 marks a few days ago, is now

1,000,000 marks. . . . The chief difficulty is we cannot get money. . . . This morning at my bank I was told I could not have more than fivepence, otherwise 500,000 marks. As a favor I was given tenpence. The bank opened again at five o'clock, and I went in to get some more money. . . . I got tenpence."

Such chaos meant a complete overturn of society, for all those persons whose savings were invested in anything but tangible property were reduced to complete beggary, their entire fortunes, however large or small, being wiped away in a few hectic months. This destruction of the German middle class, with all of its attendant suffering, was the price which Germany had to pay for the cancellation of her internal debt. The political costs of this "kill or cure" surgery were not to be paid until a decade later.

At this time it was a popular thesis, especially in Paris, that extreme inflation had been deliberately adopted by the German government as an efficient, even though ruthless, means of avoiding payment of just obligations. Today, there seems to be little supporting evidence for such a view. It is probable that Germany did not make a wholehearted effort to meet her scheduled reparations payments, but since they were so patently beyond her ability, a decision not to make any serious effort to shoulder the load is both understandable and reasonable. But it is an obvious error to conclude, therefore, that the inflation was deliberate. The technical weakness of the monetary system of the country was such that it was impossible to effect the transfer of any considerable sums to the Allied creditors. In conjunction with budgetary deficits and the generally dismal outlook for the country, this monetary weakness caused a flight of capital which removed the last prop from the tottering financial structure.

In desperation, the German government had offered in May 1923 to pay a total of thirty billion marks to be guaranteed by a bond issue of ten billions on the Reich railway system and by a mortgage of ten billions on the entire business, industry, banking, trade, and agriculture of the country. Further, Berlin offered to earmark as security the revenues from customs duties and the excise taxes on sugar, tobacco, beer, wines, etc. This offer was refused by the Allies, M. Poincaré insisting that, in addition, the customs should be collected in gold and given to the Allies, that the railways on the left bank of the Rhine should be transferred to the Allies, and that certain of the Ruhr mines should be permanently operated by an inter-Allied corporation.

The disagreement between Downing Street and the Quai d'Orsay was now complete. Lord Curzon's stiff attitude toward all French proposals for tightening the stranglehold upon Germany created an impasse which was not ended until the French finally yielded under pressure and grudging-

ingly agreed to the appointment of a commission of experts entrusted with the task of working out a better plan for reparations payments. In consenting to this procedure, the French government stipulated, however, that the commission should have no power to consider a change in the total amount of reparations ultimately to be paid, but that it should be allowed merely to prepare a schedule for payments during an initial period while German economic stability was being restored. Although the commission was thus to have exceedingly limited terms of reference, its appointment marked a step in advance, for it was the first time that the Allies had officially admitted, even inferentially, that reparations should be based on Germany's capacity to pay. It is not encouraging to reflect that even this elementary principle was accepted only after Germany had been pushed to the point of complete economic chaos.

The commission's report—the Dawes plan—was finally approved 30 August 1924, by the governments concerned. To summarize briefly, the report provided that during the ensuing four years there should be a rising schedule of payments which would reach a "normal" payment of 2.5 billion marks in the fifth year. The plan also placed upon the Allies the obligation of transferring the payments into the Allied currencies, for which purpose an Agent-General of Reparations was to be installed in Berlin. The Dawes Commission did not omit to point out that it had not been authorized to "attempt a solution of the whole reparations problem. It [the Report] merely foreshadows a settlement extending in its application for a sufficient time to restore confidence, and at the same time is so framed as to facilitate a final and comprehensive agreement . . . as soon as circumstances make this possible."

Realistic though it was, even the Dawes Report did not give a complete picture of the nature of reparations, for it did not sufficiently analyze the means by which past payments had been effected. Actually, German payments had been made possible, at least in part, by the accumulation of exchange derived from foreign speculation in the mark. This was the conclusion of the famous McKenna Report which led J. M. Keynes to remark:

For five years Germany's victors have squeezed the lemon with both hands, have heard the "pips squeak" and felt their own hands ache, have seen a trickle flowing into the bowl,—only to discover in the end that every drop has come, not from the lemon, but from the hands themselves. What Germany has appeared to pay in Reparations is nearly equal to what the foreign world has subscribed in return for worthless marks. The same illusion, the same ill-calculated ignorance, which generated oppressive and impossible demands, have brought forth also these vast losses, before which the losses of all previous Bubbles are nothing. A million foreigners, we are told, have acquired bank balances in Germany, and each of

these accounts has cost its owner on the average about 400 pounds. It is these lively gentlemen who have paid the bill so far. . . .

It is not reasonable to believe that this prodigious process has been brought about by the conscious guile and subtlety of the German people. The same sink, which has swallowed up the voluntary, gambling surplus of the foreign world, has swallowed up also the indispensable, relied-on savings of the mass of the German people. Germany has been the scene of the most extensive redistribution of national wealth from the many to the few ever experienced within a like space of time, until she has become the outstanding example of distributive injustice.¹¹

Even so, the acceptance of the Dawes plan did inaugurate a new era in postwar history. Agreement was now general that Germany must be restored to economic health as a condition necessarily precedent both to the payment of reparations and to the general recovery of Europe. The Dawes plan also marked acceptance of the principle that Germany must be aided to meet her payments. Further, it marked the ascendance in Germany of Gustav Stresemann and his policy of coöperation with the Allies. Herr Stresemann argued that Germany was too weak to be defiant and that it was better, therefore, to attempt coöperation with the Allies in the hope that this policy might lead in time to a mitigation of the burden. It was in pursuance of this policy that Germany began to meet regularly the payment schedules of the Dawes plan, and it was this same policy, extended to the sphere of political coöperation, which produced the Locarno agreements of 1925 and, a year later, German entrance into the League of Nations.

Immensely important in contributing to this new era of good feeling was the victory of the coalition of French Left parties in the parliamentary elections of the spring of 1924. Not until the Poincarists had been ousted from their control over French foreign policy could the restoration of an era of coöperation and good feeling become possible. Once this had been done, and men of the stamp of Briand and Herriot had come to power, competent observers began to talk as if the last chapter in the dismal record of the War had actually been written.

THE INTER-ALLIED DEBT SETTLEMENTS

In reality, the financial aftermath of the War was far from liquidated. The total amount of reparations was still technically the same. Only the method of collection and the size of the immediate payments had been changed. Equally unsolved were the problems of inter-Allied indebtedness. When the British government parted company with France, insofar as

¹¹ *The New Republic*, 14 May 1924.

reparations policy was concerned, it had set forth a formal policy on all the financial settlements of the War. This statement declared that "the economic ills from which the world is suffering are due to many causes . . . among which must certainly be reckoned the weight of international indebtedness, with all its unhappy effects upon credit and exchange, upon national production and international trade." In view of this, the British government announced that it was prepared, "if such a policy formed part of a satisfactory international settlement, to remit all the debts due to Great Britain by our Allies in respect of loans, or by Germany in respect of reparations."¹²

By this pronouncement Great Britain proposed to wipe the slate clean in one huge transaction, a policy which would have cost her approximately 2.5 billion pounds. But the United States, the other great creditor, was not willing thus to be seduced by the wiles of British diplomacy. Paraphrasing J. M. Keynes's characterization of Clemenceau, one might say that America had emerged from the War with one great illusion, America, and one great disillusion, Europe. From the beginning, the American government, backed by what seemed to be the consensus of opinion, had insisted that the Allied war loans must be repaid and that payment must not in any way be related to the fulfilment of German reparations. This last stipulation was produced by a natural fear that, unless such a distinction were maintained, the United States might find itself in the unenviable position of being obliged to collect its debts from Germany, or at least, of having the payment of Allied debts made contingent upon German reparations payments.

The Allies did not at any time challenge the technical correctness of the American position, but they waited, hoping vainly that the United States might accept the British view. In this hope they were destined to disappointment, for the United States not only turned a deaf ear to all cancellation proposals but proceeded to create a War Debt Funding Commission for the purpose of arranging terms of settlement with the debtors. Reluctantly, therefore, the latter followed the lead of Great Britain and, one by one, concluded funding agreements. Chronologically, the British were the first to make funding arrangements, and the French the last. In taking this step they were undoubtedly prompted by the announcement of the State Department that it would look with disfavor on any private American loans to governments which had failed to make funding arrangements for their debts to the American Treasury.

To some extent these agreements, unlike the reparations policy, did take into account the capacity of the debtors to pay. This was done chiefly by reducing the interest rate, e.g., Great Britain agreed to pay 3.3 per cent while the French rate was only 1.6 per cent and Italy's rate only .4 per

¹² *Cmd. 1737, of 1922.*

cent.¹³ It should be noted, however, that in no case did the United States waive any part of the principal of the loan. The statements which have occasionally been made concerning the extent of reduction in the debt settlement have usually been based on a comparison of the loan and the present value of the debt settlement.

In 1922, the British government had stated that if the United States should demand repayment, "we wish it to be understood that we do not in any event desire to make a profit. . . . In no circumstances do we propose to ask more from our debtors than is necessary to pay our creditors. And while we do not ask for more, all will admit that we can hardly be content with less." The extent to which this policy actually provided relief for the states which were indebted to Great Britain is not easy to ascertain but arrangements were made with all the debtors by which the British Treasury was to receive a total sum of approximately six billion dollars. Similarly, France made agreements with her own debtors, Roumania, Poland, Yugoslavia, Greece, and Czechoslovakia, for the repayment of their loans, though in each case a substantial reduction was granted.

THE TOTAL DEBT BURDEN

The refusal of the United States to envisage any solution other than repayment placed upon her debtors obligations which, with interest, reached a grand total of 22.2 billion dollars, the whole to be spread over a payment period of sixty-two years. The British settlements called for payment of 5.7 billion dollars and the French agreements totaled 131.5 million dollars. As reparations, Hungary was scheduled to pay 40.5 millions, Bulgaria, 450 millions, and Germany, 33 billions. Thus, the defeated powers were saddled with debts to the amount of 33.5 billion dollars, a sum which was almost matched by the inter-Allied debt total of 28 billions. In other words, the international debts contained in the postwar settlements reached a grand total of something like 61.5 billion dollars, a sum the magnitude of which almost escapes comprehension. Wholly apart from the question of the internal debts, these settlements required the taxpayers of the countries in question to carry a load from which they would not be free for more than seventy years after those fateful days of August 1914. To put the matter more concretely: if a child born in 1919 had a son at the age of twenty-two, and if this son had in his turn a son at the same age, there would

¹³ H. G. Moulton and L. Pasvolksy, *War Debts and World Prosperity* (Washington, D. C., 1932) is the best single analysis of the problem. For European views, see D. Lloyd George, *The Truth about Reparations and War Debts* (London, 1932), L. Petit, *Le Règlement des dettes interalliées, 1919-1929* (Paris, 1932), E. Herriot, *Le Problème des dettes* (Paris, 1933), H. Bérenger, *La Question des dettes* (Paris, 1933).

be in 1985 three generations of citizens, a grandfather of sixty-six, a father of forty-four, and a grandson of twenty-two, all of whom were still paying for a war which not even the grandfather had ever seen. J. M. Keynes, with his customary shrewdness of judgment, realized that it would be preposterous to believe that a man would willingly pay taxes for a war in which his great-grandfather had fought. Writing in 1920, he said, "I do not believe that any of these tributes will continue to be paid for more than a very few years. They do not square with human nature or agree with the spirit of the age."¹⁴ Nevertheless, and despite this advice, the agreements were made and the world prepared to shoulder the burden.

From the discussion in earlier chapters it should be clear that the technical difficulties confronting the transfer of such sums were almost insoluble. Since the debtor states had but little gold, they could meet their obligations only through a tremendous expansion of exports, together with favorable balances on all the invisible items. But as matters stood the debtors were not prepared to export in such huge quantities, nor were the creditors disposed to receive such an adverse balance of trade as would have given the debtors enough exchange to meet their obligations. This was especially true of the United States, the greatest creditor of all, for, in 1922, the Fordney-McCumber tariff had raised a formidable barrier against the acceptance of foreign goods. Consequently, one may wonder why and how it was possible for the debt payments to have been regularly made during the years that came between the funding agreements and the onset of the depression. That question can be answered only after consideration of certain other aspects of the tangled maze of postwar financial relations.

THE POSTWAR FLOW OF CAPITAL

Great Britain emerged from the war with her financial supremacy seriously shaken. Loaded with debt, a fourth of her foreign investments gone, many of her foreign markets perhaps irretrievably lost, and with a persistent and costly burden of unemployment, the British did not face the future with confident assurance. The Treasury was unable to return the pound to a gold basis until 1925, and the dollar, the only major currency on gold, commanded at one time a pound exchange value of \$3.195.

As a result of this situation, there quite naturally grew up the assumption that the days of British financial greatness were past and that the dollar was destined to occupy in the postwar era the position that the pound had enjoyed in the nineteenth century. The most striking support for this view was derived from the new financial position of the United States. Normally, the transition from a debtor to a creditor position is a slow one,

¹⁴ *Op. cit.*, p. 259.

involving a period of growing self-sufficiency during which a debtor status is gradually liquidated and funds are accumulated which, when the amount is sufficient, can be exported. But in the case of the United States this transition had been tremendously accelerated by the impact of the War. Foreign investments in America were either repatriated or, in the case of enemy investments, confiscated. Enormous loans had been made and, what is even more important, immense amounts of capital were now available for further private foreign investment.¹⁵ In this connection, it is also pertinent to point out that the attitude of American citizens toward the purchase of securities had been influenced by the War. Indubitably, many persons who had never before purchased bonds had succumbed to the skillful and intensive "Liberty Bond" campaigns and had invested patriotically in government securities. With this successful initial experience, these people were willing after the War to continue buying bonds. This change in the psychology of the small investor was to have a wide influence in furthering foreign investment.

Once recovery from the tremendous deflation of 1920-22 had been achieved and the political barriers against investment in Europe had been removed by the Dawes plan and the Allied debt agreements, the way was clear for a flow of American capital to a Europe badly in need of funds. The results were little short of amazing. Foreign securities were poured upon the American market. In 1914, there had been only nineteen public issues of foreign securities in the United States, but between the end of the War and the depression there was only one year (1923) when the number fell below 100 and in one year (1927) it reached 253.¹⁶ In 1924, for the first time since 1916, American net foreign investments for the year exceeded a billion dollars, and in the following year the total was more than 2.2 billions. This net investment of more than a billion dollars a year continued and, by 1929, American foreign investments, exclusive of the war debts, had attained a total of approximately seventeen billion dollars, a sum nearly equivalent to total British foreign investments in 1914.¹⁷ This huge amount was divided approximately as follows:

	PER CENT
Europe	32.1
Canada	25.6
Central and South America	33.9
Australasia	5.6
Miscellaneous	2.2

¹⁵ Total American foreign investments, exclusive of the government war loans, reached \$5,678,000,000 in 1919, an amount which was more than double the total in 1913. For details, see National Industrial Conference Board *The International Financial Position of the United States* (New York, 1929), p. 48.

¹⁶ S. Stern, *Fourteen Years of European Investments 1914-28* (New York, 1929), p. 5.

¹⁷ For an analysis see C. Lewis, *op. cit.*, p. 455.

American investments in Germany were especially prominent. American investors believed that the stability of that country had been assured by the Dawes Plan and they hastened to offer loans to the municipalities, the state governments (*Länder*), the railway system, and private corporations. Being badly in need of credit to replace the ravages of inflation, the Germans could scarcely be blamed for taking advantage of the loan offers that were literally pressed upon them by the agents of American financial houses. In all, the United States invested between 1924-31 more than 1.6 billion dollars in Germany, which was approximately 29 per cent of all American investments in Europe.

While this was taking place, Great Britain was rapidly regaining her own lost ground. Lombard Street had behind it generations of experience in foreign finance which Wall Street, despite its ample funds, lacked completely. Moreover, since Britain had managed to keep the bulk of her foreign investments intact, she was able to resume foreign lending on a substantial scale as soon as a measure of monetary stability had been achieved. In fact, there was some British foreign investment as early as 1921, and after 1922, except for a brief period in 1925, there was a steady stream of further investment, though at only about half the rate of the last prewar years. Even so, total British foreign investments were estimated by 1932 at £3,355,000,000 (\$16,325,000,000 at par).¹⁸

French foreign investments had been reduced by about one-half during the War and although there was an early resumption of lending, it did not at any time assume important proportions. The position of the franc was too precarious to permit much foreign lending, and until 1929 there was a further handicap in the shape of a special tax imposed on all foreign issues listed by the Bourse.

Turning from the creditors to the debtors, one is impressed at once by the complete disappearance of Russia as a great debtor and the emergence of central and eastern Europe as an area which seemed to have an almost unlimited need for foreign loans. The position of Germany was especially striking. The War and the inflation transformed her from a creditor into a debtor whose foreign obligations, excluding reparations, were ominously heavy. By 1932, the official German estimate placed the total of German long- and short-term borrowing at between 28.5 and 30 billion marks. The share held by each creditor was as shown on page 341.¹⁹ To offset this total there were some foreign assets, but the net import of capital was between four and five billion dollars. In other words, Germany had met her reparations payments after 1924 solely because she had been

¹⁸ Sir Robert Kindersley, "British Overseas Investments in 1932 and 1933," *Economic Journal*, September, 1934.

¹⁹ *The Economist*, 23 January 1932.

able to borrow between two and three times the amount of the reparations from the world's money markets. Such was her recovery!²⁰

	PER CENT		PER CENT
United States	55.2	France	5.0
Great Britain	11.5	Belgium .....	.5
Holland	12.3	Italy .....	.5
Switzerland	5.4	Others	1.3
Sweden	8.3		

No conclusive estimates of any value concerning total international indebtedness—the sum of private debts plus intergovernmental and political debts—have ever been made.²¹ Still less has there been any attempt to add to these debts the domestic debt totals. But it is clear that toward the end of the 1920's the public and private, political and nonpolitical, international indebtedness of the world had attained such magnitude that the burden of interest and amortization required the annual transfer of 2.5 billion dollars, of which approximately 750 millions represented intergovernmental payments.²²

This was an immense sum—one which would have taxed the strength of the international financial mechanism even under favorable circumstances. Actually, conditions were extremely unfavorable because of currency difficulties and the state of international trade. Despite this fact, there was the general appearance of economic recovery and returning prosperity. This paradoxical situation can be explained quite simply, though at that time there were only a few observers who perceived its true nature. What actually happened was that the flood of private postwar foreign investments acted as a powerful stimulant to the war-shattered European economic system, giving to it the illusory appearance of genuine rehabilitation. Although in reality these investments merely added to the total debt burden and made the ultimate collapse more certain, still, for the time being, they enabled the load to be carried. Stated in different terms, the patient emerged from the War in a condition which demanded drastic surgery for his recovery. Year after year the stimulants given to the patient created a false appearance of convalescence, but in reality they aggravated the basic disorder and rendered more difficult the inevitable surgery. Before the gravity of this situation can be fully appreciated, it is necessary to examine postwar trends in international trade and the complicating problems of monetary policy.

²⁰ On the German position, see C. R. S. Harris, *Germany's Foreign Indebtedness* (London, 1935). J. W. Angell, *Recovery of Germany* (New Haven, 1932).

²¹ League of Nations, *World Economic Survey, 1932-33* (Geneva, 1933. II. A. 6), chap. IX.

²² *Ibid.*, p. 263. *New York Herald Tribune* 30 November 1932.

THE MONETARY PROBLEM

It has been pointed out that the prewar gold standard worked with reasonable adequacy because of the existence of a number of factors, not the least of which was a reasonable distribution of the gold resources of the world so that each important country had a stock large enough to ensure ample note cover and freedom of gold movement for the adjustment of international balances. This self-adjusting equilibrium was destroyed by the War, and especially by the concentration of too much gold in the United States. This concentration resulted both from the swollen American export trade and from the capital imports which went to America in search of safe investment. Before the War the total amount of American gold coin and bullion had never reached two billion dollars, but in 1919 it exceeded three billions, and four years later it was more than four billions. The international importance of this concentration can be realized by the fact that, in 1929, the United States held 38 per cent of the world's monetary gold stocks, while the second greatest reserve, held by France, amounted only to 14 per cent. In that year the combined reserves of all Europe, including Russia and Great Britain, equaled only 41 per cent, while South America and Asia had only 6 per cent each.²³

This lack of gold, together with expanded note issues and internal budgetary difficulties, made it extremely hard for the European states to achieve financial stability and to control their fluctuating exchange rates. Moreover, this instability was aggravated by the varied and conflicting monetary policies which had been adopted. In certain countries of central Europe, inflation had followed the same course as in Germany and with the same dismal result.²⁴ In other countries a limited inflation was practiced, but it was kept under control, and although the currency was devalued, sometimes drastically, the inflationary movement did not wreck the financial structure of the country. This was true, for example, in France where, following the failure to secure German reparations, the internal strain brought about a financial crisis that was immediately intensified by a rapid flight of capital from the country in order to escape the menace of the crushing taxation which would have been necessary to carry a national debt of 300 billion francs. For a time it seemed as if the French franc would follow the German mark, but resolute measures were taken at the time of the worst crisis in 1926, and the franc was successfully stabilized at approximately one-fifth of its prewar value. Such sweeping devaluation in-

²³ *Statistical Yearbook of the League of Nations, 1931-32*, pp. 266-69.

²⁴ For an analysis of Austrian and Polish experience, see M. A. Heilperin, *Le Problème monétaire d'après-guerre* (Paris, 1931).

jured a large part of the population, but it is doubtful if any less heroic measures would have sufficed to save the franc from complete collapse.²⁵ A similar limited inflation, with subsequent stabilization at a depreciated currency level, took place in Italy and Belgium.

Because of its vast resources and its gold stock, the policy followed by the United States could not fail to affect the financial destinies of other countries. American authorities quickly lifted the temporary embargo on gold and adopted a policy of rigid deflation. The huge additions to the country's gold stock were officially regarded, at least for the time being, as foreign deposits which might be withdrawn and which, therefore, should be kept in a liquid condition. Consequently, Federal Reserve Bank deposits and earning assets were not expanded as much as this new gold would have permitted. The retention of a gold supply without allowing it to become a direct part of the credit base of the country is called "sterilization." Many monetary authorities are of the opinion that it would have been much better for the United States, as well as for the world, if gold had not been sterilized, but had been allowed to have its natural inflationary effect. This policy, so it is argued, would have raised American prices and, in view of the prominence of the dollar, world prices as well. But since American prices would have gone up faster than world prices, American exports would have declined and imports would have grown, thereby resulting in a beneficial redistribution of gold and a European trade expansion which, without really injuring America, would have kept the world price level high and the commodity value of the international debts correspondingly low. But American policy did not follow this course. The deflation was carried through even though it placed a great strain upon American business and at the same time prevented such redistribution of gold as would have facilitated a European return to the gold standard. There can be no doubt that American monetary policy contributed to the maintenance of European currency instability.²⁶

An immediate effect of this policy was to bring about a severe deflation in Great Britain, for the British authorities were determined to restore the old pound-dollar parity. By following the recommendation of an advisory committee to make each year's minimum note issue the maximum for the following year, and by the inevitable policy of high taxation, it was possible in 1925 to restore the pound to the prewar gold basis. Following the lead of sterling, the European neutrals and the dominions also deflated and, with minor exceptions, succeeded in returning to gold at the old exchange rates.

²⁵ G. Lacourt and G. Damougeot-Perron, *Le Franc devant la crise* (Paris, 1934), Part 2, chaps. 2-3.

²⁶ H. F. Fraser, *Great Britain and the Gold Standard* (London, 1933), pp. 39-42.

Unfortunately, this policy of credit constriction tended to prolong unemployment and to retard recovery. In Great Britain, especially, manufacturers who were interested in the export trade not only had to overcome the handicap of a pound which was definitely overvalued, but they faced the further obstacles of competition from the cheap Japanese labor, efficient American production, and the devalued continental currencies.

In one important respect the gold standard to which so many states returned after 1925 was unlike the gold standard of prewar days. (Lacking an adequate supply of bullion, many countries were compelled to adopt a "gold-exchange" standard, i.e., their currency reserves were largely in the form of foreign exchange holdings. This meant that they could remain technically on the gold standard only so long as the exchange which they held was itself freely convertible into gold. That is to say, these currencies depended almost entirely upon the fate of what may be termed the "parent currency.")

In general, the weight of the postwar debt burden was greatly intensified by the instability which characterized money exchange rates. This instability developed partly because of a badly distributed supply of gold in a world in which, thanks to the War, claims to wealth had been recklessly multiplied. Exchange instability was also heightened by the successive conflicting national policies of inflation and deflation which placed excessive strains upon certain portions of each national economy. Moreover, the deflationary policies of the creditor states increased the commodity value of the international debts far beyond the value obtained from the original expenditure of the loans. This was particularly true of the American war loans, the proceeds of which had been spent almost entirely in the United States for the purchase of materials at wartime prices. To offset this handicap there was, of course, the fact that the foreign balances of countries with depreciated currencies tended to grow because of the expansion in their export trade. But this advantage was more than lost in cases where the country needed to import raw materials or food from countries with high-priced currencies. The increase in foreign balances of a country which has depreciated its currency depends, however, upon other factors such as the tariff policy of the states which have practiced deflation. Since the American tariff was extremely high, the New York balances of the debtor states grew as a result of American loans rather than as a result of American import expansion. Moreover, the rapid rise in price levels following currency devaluation quickly robbed these debtor states of even their temporary export advantages, leaving them with little more than an impaired importing power.

THE COURSE OF
POSTWAR TRADE

(It has been pointed out that the load of international indebtedness could have been carried successfully only if the debtors had been able to perform substantial services for other countries and to maintain highly favorable trade balances.) To this, there were, however, many serious obstacles. The wartime depletion of industrial stocks made it necessary for nearly all the European belligerents to maintain abnormally heavy imports for several years after the end of the War. Also, the United States with its vast store of raw materials and its efficient industrial plant was in position to compete with formidable strength for the export markets of the world. The expansion of exports to neutral states, especially to Latin America, had been of great value in teaching American manufacturers the technique of foreign merchandising and, in this respect, they had now overcome what before the War had been one of the greatest advantages possessed by British and German exporters.

A second change had to do with the growing decentralization of industry. The War had perforce stimulated industrial production in all the non-European world and, thanks to the increasingly automatic character of production, as well as to the new mobility of power, it was now possible to operate industries in regions where before the War it would have been

TABLE XXIII
EUROPEAN EXPORT TRADE IN 1925 ²⁷
(1913 = 100)

Area	Imports	Exports	Total
Eastern and Central Europe, excluding Russia.....	93	76	84
Remainder of Europe.....	101	98	100
Europe including Russia.....	95	86	91
North America.....	140	138	139
Caribbean area.....	132	133	133
South America.....	103	103	103
Asia, excluding Asiatic Russia.....	130	157	144
Africa.....	114	103	108
World.....	108	107	107

difficult because of a lack of local power or of skilled labor. Conscious of this, and being desirous of building up favorable trade balances by the reduction of imports, postwar governments sought to protect their war-born industries by the imposition of new and higher tariff barriers. Some

²⁷ League of Nations, *Memorandum on Production and Trade* (1929. II. 13), p. 50.

of these new industries were, of course, fundamentally uneconomic, but many were built on more modern and efficient lines than the older European industrial plants which had traditionally supplied these markets. It is true that Germany made use of the liquidation of her internal debt and the subsequent volume of ready foreign credit to modernize many of her industries, but no such relief was available in England and France.

The consequence was that European export trade did not regain its prewar importance until the middle twenties. The situation in 1925 was as shown in Table XXIII.

The slow recovery of Europe and the rapid development of overseas production and trade is well exemplified by the following table, which gives the share of the various continental groups in world production and trade in 1925 as a percentage of the share which they had in 1913.

TABLE XXIV
WORLD PRODUCTION AND TRADE IN 1925 ²⁸

	PRODUCTION	TRADE
Europe, including Russia	89	85
North America	108	129
Caribbean area	135	124
South America	112	95
Asia, excluding Asiatic Russia	104	135
Oceania	100	118

The full significance of this new alignment of commercial relations is indicated by the following conclusions of the League of Nations Economic Intelligence Service:

In comparing 1925 with 1931 figures, the United States and India now buy less from Europe and more from Asia; China and Japan buy less from Europe and more from North America; Australia, less from Europe and more from both North America and Japan. Reciprocally, India sends a greater proportion of her goods to North America and Asia, China to North America; Japanese exports to Europe have dropped from 23 per cent to only 7 per cent of her total exports, while those destined for North America have risen from 30 to 45 per cent. Australian imports from Europe have dropped from 71 to 54 per cent of her total imports, those of Argentina from 80 to 64 per cent.²⁹

Viewing these changes, many observers not only reached the conclusion that Europe was not destined to regain its former commercial prestige, but expressed their belief that it would continue to sink gradually into a permanently second-rate position while American and Asiatic products overran

²⁸ *Ibid.*, p. 56.

²⁹ League of Nations, *Memorandum on Balances of Payments and Foreign Trade Balances, 1911-25* (Geneva, 1926. II. 51. 1), p. 164.

the world. But these gloomy forebodings were not entirely borne out by the developments of the years from 1925 until the onset of the depression. During this period, Europe increased slightly its share in world trade while the percentages of all the other continents except Africa declined perceptibly. To what extent this slow but steady European advance represented genuine industrial and agricultural recovery was not apparent at that time, but, temporarily at least, there was some justification for the reviving hope that Europe might regain enough ground to carry its heavy burden of external debt.

The character of international trade, however, was still changing. The war-stimulated decentralization of industrial production was beginning to produce secondary effects of distinct importance. One effect was the increase in trade in finished and semi-finished goods. In the period 1910-14, finished manufactures contributed 30.7 per cent of the total value of exports from the United States, but in the period 1926-30 they furnished 45.4 per cent. American exports of foodstuffs and crude materials dropped from 33.5 per cent to 24.4 per cent during the same period.

It should be noted that this change in the character of international trade was partly due to the gradual constriction of world markets for agricultural goods and raw materials. This can be ascribed primarily to the growth of agricultural protectionism—in itself an outgrowth of the debt situation. The debtor states needed markets as never before, but when they sought to protect themselves by reducing imports and pushing exports they were contributing to their own downfall. There were too many debtors, too many closed markets, too many suppliers for a shrinking world demand. Temporarily, the reckoning was postponed by the large volume of international lending, but this could not provide any fundamental solution to the problem. As agricultural and raw material prices continued to fall, it was increasingly obvious that the world-trading mechanism could not provide the debtor states with a fraction of the markets needed to carry the debt burden. "The inevitable result," as Professor Condcliffe has recently pointed out, "was a deflation of export prices which soon caused the real burden of debt obligations to exceed the increased productivity resulting from the loan expenditure, if, indeed, these interest burdens were not already excessive before the fall in prices set in."

XV

TRADE BARRIERS AND COMMERCIAL POLICY

"It is an idle dream to think we can secure an abolition of all tariffs in a world organized as our own in national units, in each of which a national government is directing and participating in national economic enterprise. In such a world we must aim at an evolution from within. We must, I suggest, regard our present economic nationalism not simply as an enemy we have to slay but as the possible parent—with proper encouragement and education—of a better system than itself."—SIR ARTHUR SALTER.

ANY prolonged study of the international commercial relations of the nineteenth century leads inescapably to the conclusion that it is far from accurate to characterize that period as an era of *laissez faire*. It is true that individual business men in many countries were more free from governmental control than in earlier or in later times, but this freedom did not extend into the sphere of international trade. As has been indicated previously, Great Britain was the only major trading power to adopt and retain a policy of free trade. Some of the smaller states, such as Belgium, Holland, and Denmark, followed British leadership, but elsewhere in the world, save perhaps for the two decades following 1860, most states, whether large or small, tended progressively to increase rather than decrease the size and complexity of the barriers which they erected against the free flow of international trade. The War did not suddenly destroy an old order; it merely accentuated a trend that had been characteristic of the forty years preceding the catastrophe. Some knowledge of the nature of this trend, as well as of the trade barriers which it produced, is indispensable as a background for the bewildering maze of postwar international economic relations.

TARIFFS

Tariffs, which are the most common of all trade barriers, involve two general types of duties, specific and *ad valorem*. The first provides for the assessment of a fixed amount upon each unit of goods imported, e.g., two cents a pound on raw sugar. The second is a duty measured according to

the value of the goods, e.g., 50 per cent of the value of a passenger automobile. A few economically backward countries maintain relatively simple tariff systems. A decade ago Siam, for example, levied a flat 3 per cent ad valorem duty upon imported goods of all categories. Most tariffs, however, are far more complex, containing detailed schedules of thousands of items and the duties, whether specific, ad valorem or a combination of the two, for each. Moreover, the units of measurement for specific duties vary greatly from country to country. The classification of goods for tariff purposes varies enormously, and so does the method of calculating the value of the article. An ad valorem duty, for example, may be based on the price either in the exporting or in the importing country. This lack of uniformity in customs nomenclature and practice is not only in itself a barrier to international trade, but it is also a fruitful source of international friction, especially when such nomenclature is designed to discriminate for or against the trade of certain countries.¹

This chaotic situation has been intensified by the rapid growth in recent decades of the number of articles on which duties are assessed. Products which figure in international trade have become steadily more and more numerous and diversified, with the result that each time a tariff is remodeled there are new groups of domestic producers who seek protection from foreign competition. This trend can be graphically illustrated by the following table of German import items:

TABLE XXV
GERMAN IMPORTS, 1870-1925 ²

Year	No. of Items on Which Duty Was Collected	Total
1870	230	230
1879	320	320
1888	385 plus 103 provided for by treaty	488
1902	1,470 plus 350 provided for by treaty	1,820
1925	1,700 plus 600 provided for by treaty	2,300

Similarly, the French tariff grew from 235 items in 1894 to 3038 in 1924. In 1925, the Haitian tariff had no less than 13,300 separate items.

¹ A frequently cited example of discriminatory classification is in the German tariff of 1903. Wishing to favor Swiss cattle imports, the law provided a special low duty for "large dappled mountain cattle or brown cattle reared at a spot at least 300 meters above sea level and which have at least one month's grazing each year at a spot at least 800 meters above sea level."

² D. Serruys, *Commercial Treaties: Tariff Systems and Contractual Methods* (League of Nations, Geneva, 1927), p. 24. The 1870 statistics refer to the German Customs Union.

Generally speaking, tariffs which contain these increasingly elaborate schedules of duties are of several kinds. The first and simplest is what is commonly known as an autonomous single-step tariff. This is a system of duties, set forth in a statutory enactment or by executive decree, designed to apply, in conformity with commercial treaties, to imports of goods from whatever source derived. Presumably, such a tariff is drawn up with little or no thought of its effect upon other countries. It represents merely a policy dictated by the combined economic, fiscal, and social needs of a country. Obviously, a tariff such as this is seldom used except by states which, being relatively self-sufficient, are rather more interested in fostering domestic economic development than in encouraging export trade.

But in many cases this is only one aspect of the problem. Most states tend to regard their tariffs, not merely as a source of revenue and protection, but also as a political device which, when skilfully used, can be made to enhance the general position of the state in the world. Tariffs, in other words, are commonly regarded as important weapons in a struggle for prestige and power. Consequently, even single-step tariffs are often implemented with means for coercing or inducing other states to adopt a more favorable policy toward the exports of the state in question. Thus, for example, the United States Congress inserted in the Tariff Act of 1890 a provision that certain products, notably sugar, molasses, coffee, and tea, were to be kept on the free list, but the President was authorized to impose duties upon them whenever he felt that countries which exported any of these articles to the United States were being manifestly unfair or unreasonable in their tariff treatment of American exports. Some of the countries affected, such as Brazil, hastened to offer reciprocal concessions on their chief imports from America, while others, such as Venezuela and Colombia, failed to do so. In consequence, duties were imposed on imports of specified articles from the latter countries, while the same imports were admitted free if they came from Brazil. This device, the threat to raise rates against countries which fail to accord reciprocal concessions, has been widely used.³

Conversely, a single schedule, autonomous tariff may be implemented, as a bargaining device, by the provision that reductions from the fixed schedule of rates may be accorded, by means of special tariff agreements, to those states which are willing to reciprocate. In this case, the published general tariff rates are purposely high. Sometimes such a tariff is promulgated with the provision that the rates will not go into effect until a certain fixed date in the future, the purpose being to allow other countries an adequate interval in which to prepare and tender their bargain offers.

³ For a discussion of American practice, see U. S. Tariff Commission, *Reciprocity and Commercial Treaties* (Washington, D. C., 1919), pp. 145 ff.

Incidentally, of course, such a provisional suspension of the new tariff prevents the disorganization of the home market by an increased, temporary rate of protection. Sometimes, the new and high rates are applied immediately, with the intention that their rigor will cause exporters in other countries to bring prompt and effective pressure to bear upon their governments. Such a method has its dangers, particularly in a democratic state, for, as one observer has pointed out, "it frequently happens nowadays that the autonomous tariff, fixed at rates which are twice, three times, or even ten times as high as those established by subsequent conventions, is immediately put in force. Thus, instead of being a mere warning, the tariff constitutes so insuperable a barrier that foreign countries have no option but to open negotiations as soon as possible with a view to removing or lowering it. This method entails a period of undue protection at the consumer's expense—a period which the producers do their utmost to prolong, so that sometimes, after the tariff has been abruptly forced upon foreign countries, the latter are unable . . . to obtain the reductions which the authors of the tariff had in view when they drew it up."⁴

This danger is intensified by the fact that when a high "bargaining" tariff of this kind is announced, other states are compelled to revise their own tariffs sharply upward, so that when the agreement or bargain is made, they can obtain concessions from the new tariff announced by the first state without actually lowering their own rates to any appreciable extent below the old level. It is not surprising that such a policy of attack and counterattack has frequently led to an impasse, as a result of which the high rates have been kept in force for a prolonged period, to the manifest injury of consumers. For example, Germany desired in 1877 to secure certain tariff concessions from Austria-Hungary and Russia. Accordingly, the German tariff on cereals, the chief imports from those countries, was drastically increased. But both countries, in order to prepare for negotiations, raised their own duties on important categories of German goods, with the result that this tariff war was protracted until a final settlement was reached in the next decade. The wide margin between these high duties and the subsequent "conventional" reductions can be illustrated by the German tariff of 1925, which imposed a duty of twenty-four marks per 100 kilograms of raisins. By bargains made later with Spain and Turkey, the rate for these countries was reduced to eight marks.⁵

Another natural but unfortunate result of this form of economic warfare is that the effects of bargaining operate in a cumulative fashion so as to raise general tariff levels. By way of illustration, let it be supposed that

⁴ D. Serruys, *op. cit.*, p. 26.

⁵ W. T. Page, *Memorandum on European Bargaining Tariffs* (League of Nations, Geneva, 1929), p. 28.

a state has a general tariff of ten cents a pound on a certain article. This may have been reduced by a convention to eight cents. If it is desired to raise the conventional rate to ten cents, the new general rate, on the basis of which reductions are to be made, will have to be set at twelve cents or more. Thus, if the resulting conventions are not soon agreed upon, the rate will remain at the new high level, and of course it will remain there for all such goods coming from states which make no bargain at all.

Measures of this second kind have been widely used. The United States had such a provision in the Dingley tariff of 1897, empowering the President to reduce rates on certain articles, especially wines and brandies, if a *quid pro quo* could be secured from the European supplying countries. It was designed primarily to bring relief from discrimination imposed by the French tariff of 1892 against American goods.⁹

As a means of simplifying the maze of different tariff rates which would result from the system of a general tariff modified by a number of bilateral conventional reductions, some states have adopted a two step tariff policy. This plan, which was adopted by France in 1892, provides for two separate schedules of duties for each class of commodity imports. The maximum duties constitute the general tariff, while the minimum duties are accorded to states which are willing to make reciprocal concessions. This method has certain advantages, chiefly those of simplification, but its effect is weakened for bargaining purposes by the fact that the greatest possible reduction from the maximum rates is known in advance to the states with which bargains are to be made. Consequently, it has become the practice among states which favor this kind of a tariff to refuse to grant the full minimum rate. The French, for example, ordinarily granted the full minimum before the War, and this was generalized by the most-favored-nation clause, which will be discussed presently, so that most nations could benefit from the minimum. To secure greater bargaining power, the French post-war practice has been to grant a percentage of reduction, rather than the full amount. Thus, if the rate on an article is 200 francs and the minimum is 120, the difference is 80 francs. When a commercial treaty with another country provides for a 50 per cent concession on that article, the rate actually assessed is the maximum less half the difference, or 160 francs. While such a method leaves bargaining power practically intact, it vastly complicates the levying of duties, and it is doubtful if it offers any great advantage over the old single tariff with conventional reductions. In 1927, the French tariff contained no less than nine different columns of rates for each import class.

Occasionally it has been the practice of some states to establish a special

⁹ For a general discussion of American practice, see B. H. Williams, *Economic Foreign Policy of the United States* (New York, 1929), pp. 274 ff.

tariff régime with another state or limited group of states, not so much on the basis of a hard driven conventional bargain as upon the theory that favorable tariff relations should be an accompaniment to, or a result of, a general political rapprochement. Such tariffs are commonly termed preferential, which means that, either with or without a *quid pro quo*, a state will grant a special reduction in the rates charged on all products coming from the other state or states concerned. Sometimes these preferential tariffs will be based upon an ethnic or cultural relationship. An example of this is the special tariff between Brazil and Portugal. Sometimes the justification is merely that of territorial contiguity, as may be seen in the preferential tariffs between Spain and Portugal and, for a brief time, between the United States and Canada.

The most outstanding and economically important example of a preferential tariff system is to be found in the British Empire. After Great Britain had conceded tariff autonomy to the Dominions, it was inevitable that someone should have raised the question of a preferential tariff on intra Imperial trade. Being at that time committed to a free-trade policy, Great Britain could not grant any preference to the Dominions without imposing duties on non-Empire imports. Even though this last solution was rejected in 1906 by the British people, the Dominions proceeded to grant special preferences to British goods and to goods coming from other portions of the Empire. By the time of the outbreak of the War, this had come to be a definite Dominion policy. Some of the Dominions already had a two step tariff, so that the adoption of preference really involved the addition of a third rate. Thus, for example, the Canadian law of 1907 provided that gray cotton fabric imports should pay 12.5 per cent if they were of Empire origin, 22.5 per cent if the intermediate or conventional rate applied, and 25 per cent under the full tariff.⁷

Ordinarily, the various tariffs outlined above reflect merely the decision of those in authority in each state as to the proper commercial policy for the time. This does not mean that tariffs as promulgated are the product solely of the deliberations of a small group of men who are experts in such matters. It means, rather, that the complex forces which combine to affect the making of a tariff are wholly, or largely, domestic. It sometimes happens, however, that a tariff is imposed upon a country by the actual use of external force. After the Treaty of Nanking (1842) which ended the Anglo-Chinese "Opium" War, China lost her tariff autonomy and was limited by treaty in the collection of both import and export duties to an average 5 per cent ad valorem. Not until nearly a century later (1930) were the Chinese able to throw off these fiscal shackles and reassert full control over their own tariff. In the past similar limitations have been imposed

⁷ See W. S. Culbertson, *International Economic Policies* (New York, 1929), chap. V.

upon Japan, Turkey, and certain other states. Temporary limitations upon freedom of commercial policy were laid upon Germany in the Versailles Treaty.

COMMERCIAL TREATIES

Commercial intercourse between the citizens of one state and those of another is generally governed by an elaborate network of treaties. Since, in the absence of such a treaty, a citizen who travels in a foreign country or who engages in business relations with its inhabitants does so largely at his own risk, it has been found both necessary and convenient to provide governments with a legal means of assuring fair treatment through the invocation of a commercial treaty. These treaties are therefore designed to cover a multitude of subjects, such as coasting trade rights; treatment of vessels seeking refuge; treatment of tourists and commercial travelers; alien rights of property possession and disposal; protection of industrial property rights, patents, and copyrights; police protection and civil rights; immigration and emigration; importation, exportation, and transshipment of merchandise; and tariff and customs laws.

In making these reciprocal guarantees concerning alien treatment, there are two general principles which, individually or jointly, are usually to be found in all commercial treaties. One is commonly termed "national treatment." This means that the citizens of each state are to enjoy in their commercial dealings with those of the other state the same rights and privileges as if they, too, were citizens of that state. Such a stipulation is particularly important in providing guarantees of civil and property rights, conditions of alien travel and residence, and the like. When applied to colonial customs duties, national treatment becomes equivalent to the open door. Naturally enough, not all commercial treaties contain "national treatment" guarantees for all categories of subjects listed in the treaty.

The second principle is contained in the famous "most-favored-nation" clause. This is a guarantee by each party to the treaty that if it should thereafter make a more favorable treaty with a third state, the other party to the first treaty shall be immediately entitled to claim the same favored treatment. The following excerpts from a treaty concluded in 1925 between Poland and Czechoslovakia will serve to illustrate some of the ways in which the clause is used nowadays.

ART. I.

The nationals of each of the High Contracting Parties shall enjoy, as regards establishment and the carrying on of trade and industry in the territory of the

other Contracting Party, the same privileges, immunities, and advantages as are guaranteed to the most favored nation. . . .

ART. II.

The nationals of each of the Contracting Parties shall receive in the territory of the other Party, as regards their legal status, their movable and immovable property, and their rights and interests, treatment as favorable as the nationals of any third State. . . .

ART. IX.

The products of the soil or industry of one of the High Contracting Parties imported into the Customs territory of the other Party shall not be liable to any duties or taxes—including all supplementary taxes and surcharges—other or higher than those which are or may hereafter be imposed on the goods or products of any third country.

Exports from the Customs territory of one of the High Contracting Parties to the Customs territory of the other Contracting Party, shall not be liable to export duties or taxes other or higher than those imposed on the same exports to countries most favored in this respect.

Further, in other respects each of the High Contracting Parties undertakes not to apply to the imports and exports of the other Party any treatment other or less favorable than that applied to any third State, especially as concerns Customs regulations and their application, the method of verifying and analysing imported goods, the conditions for the payment of Customs duties and charges, the classification and interpretation of tariffs, and the operation of monopolies.⁸

As used today, certain varieties of the most-favored-nation clause may be distinguished.⁹ A first classification deals with the extent of its application, for the clause may be applied to all or only to a specified part of the commerce of the contracting states. For example, the United States has regularly reserved the right to admit certain Cuban imports on a special basis, without being obligated by the clause to extend the same favorable terms to other nations. The element of reciprocity also provides a convenient basis of classification. While the basis for the inclusion of a most-favored-nation clause in a commercial treaty is ordinarily that of complete reciprocity, there have been cases in which it has been forced unilaterally upon a helpless state. The best example of this is to be found in the first four Articles of Part 10, Section 1, of the Versailles Treaty, by which Germany was bound to accord most-favored-nation treatment to imports and exports to the Allied states and agreed further (Art. 267) as follows:

⁸ League of Nations, *Treaty Series*, LVIII, 11, 13, 15.

⁹ See Royal Institute of International Affairs, *The Most-Favored-Nation Clause as an Instrument of Commercial Policy* (London, 1933), *passim*; J. Ebner, *La Clause de la nation la plus favorisée en droit public* (Paris, 1931), Part II.

Every favor, immunity or privilege in regard to the importation, exportation, or transit of goods granted by Germany to any Allied or Associated State or to any other foreign country whatever shall simultaneously and unconditionally, without request and without compensation, be extended to all the Allied and Associated States.

This unilateral treatment lasted until 1925 when Germany recovered her full tariff autonomy.

A third distinction has to do with the extent to which the clause operates automatically and unconditionally. In nineteenth-century practice most states agreed that when, or if, they subsequently made a more favorable commercial treaty with a third state, the other party to a previously concluded commercial agreement containing the most-favored-nation clause could claim the added benefits immediately and without any further discussion of a *quid pro quo*. This was not the practice of the United States. We insisted upon concluding commercial treaties which provided that the benefits from a subsequent treaty could accrue to other countries with which most-favored-nation treaties had previously been signed, only if they were willing to reciprocate by granting to us the same favorable terms, or their equivalent, as those granted by the other party to the new treaty. The following excerpt from the Franco-American treaty of 1778 illustrates this American practice.

The Most Christian King and the United States engage mutually not to grant any particular favor to other nations, in respect of commerce and navigation, which shall not immediately become common to the other party, who shall enjoy the same favor, *freely, if the concession was freely made, or on allowing the same compensation, if the concession was conditional.*¹⁰

It should be added that, after the end of the World War, the United States abandoned this practice and signed a large number of commercial treaties, including the important treaty with Germany in 1925, which contained the most-favored-nation clause in its unconditional form.

POSTWAR

TRADE BARRIERS

Due in part to the widespread use of the unconditional most-favored-nation clause, the various types of tariffs discussed above did not seriously retard the prewar expansion of international trade. The War, however, completely disrupted nearly every phase of international economic relations. Within the belligerent countries, industries that had been engaged in pro-

¹⁰ D. H. Miller (ed.), *Treaties and Other International Acts of the United States of America* (Washington, D. C., 1931) II, 3. Italics ours.

duction for export were now diverted to the manufacture of munitions and other war supplies. Merchant shipping was drafted for military use. Government control over the exchange market and the imposition of gold embargoes destroyed the old and accepted means of adjusting trade balances.

By force of the Allied blockade neutral countries were cut off from many of their former markets as well as from many of their former sources of supply. Mounting prices and the withdrawal of foreign competition gave a powerful fillip to industrial development within these neutral states. The results, in the case of the United States, were striking. Valuable market areas in which American exporters had hitherto tried with indifferent success to challenge the old supremacy of Great Britain and Germany were now theirs for the asking. As the only great industrial nation outside the conflict, the United States was in a position, by 1915, to dominate virtually all neutral markets. To this stimulus and opportunity must be added the unprecedented demands of the Allies for raw materials, food, and war supplies of all kinds. Little wonder, therefore, that American export trade increased from 2.5 billion dollars in 1913 to 5.5 billions in 1916 and reached an all-time high level of 8.2 billions in 1920.

When the War was over, and victor and vanquished alike faced the bleak winter of 1918-19, both must have realized that world trade which had perforce been directed into new channels for four years would not easily or quickly flow back into the old courses. Prudence and wisdom might have dictated a quick and complete return to the economic *status quo ante*, but this was rendered impossible by the rapid emergence of a new and profoundly important set of barriers to international trade. From the welter and confusion of the Peace Conference there emerged a new "Balkanized" Europe with thousands of miles of new customs frontiers.

Conditions could scarcely have been more disordered. The belligerent countries had lost their export trade. Their manufacturers were faced with the double task of readjusting production to peacetime market possibilities and replenishing their sadly depleted stocks of raw materials. Moreover, during the War years, they had fallen behind in the development and application of modern methods of production. Naturally, therefore, they were uneasy at the prospect of competing with the newer, and relatively more efficient, industries which had developed in the United States and many neutral countries. To add to the troubles of the European ex-belligerents, there was the bitter certainty of the high fixed charges that would result from the necessarily high taxation which alone could meet the appalling financial prospect of the debt-ridden states. Finally, there was the uncertainty created by currency instability. The gold standard was gone and the currencies of the former belligerent states were for the most part so weak and so unstable that export trade could not fail to suffer. For the

industrialist, here was a frightening combination of crushing taxation, currency instability, depleted domestic purchasing power, and inadequate means for financing the huge imports which were necessary for the resumption of normal production. Almost every aspect of the old prewar industrial trading mechanism had disappeared. As Sir Arthur Salter has aptly said, "By comparison with 1919 the world of 1913 seemed to most of us a paradise from which we had for some years been excluded by the flaming sword of destruction."¹¹

Not the least of the difficulties of Europe was the shattering impact of the peace treaties upon the economic organization of the defeated states. The case of the states that rose from the ruins of Austria-Hungary is particularly striking. Whatever its political shortcomings, and they were numerous, the old Austro-Hungarian Empire had been a fairly good economic unit. Now that it had broken up, the various parts, hemmed in behind political and commercial barriers, were unable to carry on. Before the War, for example, most of the woolen and cotton spinning mills were in Austria, while the weaving mills were in what was once Czechoslovakia. Austria, therefore, had to build new looms, and Czechoslovakia had to build spinning mills and, at the same time, reduce the output of her weaving plants. The flour mills of the empire had been located chiefly in Hungary, where they had a capacity of more than 2,000,000 tons. After the War, the other states built their own mills, and by 1924 the Hungarian production had declined to 700,000 tons.¹²

It is not strange that, amid all these postwar difficulties, men whose experience had been confined to the prewar methods of international trade should have assumed without question the desirability of a return to the old system. With all the wisdom of hindsight, it is easy now to point out that many of the basic features of the old order had been destroyed, but at that time it was only natural that the extent and far-reaching character of the War's destruction should have been overlooked by those who were desperately groping to understand and control the new forces at work throughout the world. What these people did not foresee was that measures which seemed urgently necessary to avert the menace of immediate collapse might be so far reaching in their ramifications as to frustrate later attempts at a sounder and more permanent reconstruction. Thus, the statesmen of 1919 were torn between a belief in the wisdom of an ultimate and rapid return to the old order, and the urgent necessity of taking protective measures to tide them over until a gradual return could be accomplished under more auspicious circumstances.

¹¹ *World Trade and Its Future* (London, 1936), p. 31.

¹² On the postwar plight of Austria, see a valuable League of Nations report by W. T. Layton and Charles Rist, *The Economic Situation of Austria* (Geneva, 1925).



FIG. 22.—EUROPEAN TARIFF WALLS IN 1927.
Reproduced by courtesy of the designer, Sir Clive Morrison-Bell.

Before turning to a description of the new measures affecting international trade, it must be recalled that a new and dangerous spirit was at work in the world. Among the after effects of a long and costly war, one of the most serious is the widespread prevalence of a narrow and bitterly intensified nationalism. In the economic sphere this feeling gave rise after 1919 to the doctrine that it was both necessary and desirable to suppress, if possible, the trade of other countries in order to make more room for one's own exports. In other words, the bitterness and desperation which came in the aftermath of the War caused most men to forget, or at least to deny, the truth of the old principle that flourishing foreign trade must be reciprocal. The economic provisions of the Versailles Treaty afford a glaring illustration of this new attitude.

Specifically, there was a general tendency to abandon the unconditional most-favored-nation clause. The War had destroyed the commercial treaty relations between the two groups of belligerents, and, temporarily at least, there was no desire to restore the *status quo ante*. As early as 23 April 1918, a French decree denounced all commercial conventions containing the most-favored-nation clause. This was designed to clear the ground for a new policy of short-term commercial agreements concluded on a basis of strict bargaining. The maximum tariff was raised to a level four times as high as the minimum rate, and the new tariff bargains represented, as already indicated, percentage reductions from this maximum. On the basis of the new French tariff law of 1921, by the terms of which this practice was authorized, more than fifty temporary tariff agreements were made, and not one contained the most-favored-nation clause. Other continental states followed this lead and, from all appearances, Europe faced a new period of intensive tariff warfare. Efforts, such as those inaugurated at the Genoa Conference of 1922, to block this trend and to develop the principle of an international policy through collective agreement, were completely fruitless. The sudden conversion of the United States to the unconditional most-favored-nation clause and the stubborn support given to it by Great Britain were the only promising features of an otherwise dismal outlook for international trade development.

A second tendency was shown by the general adoption of higher customs duties. This was prompted by the serious revenue needs of all states, particularly those which had come into existence as a result of the peace treaties; by the widespread desire to prevent disastrously adverse trade balances; and by the strong pressure exerted within each country by those who represented the new industries developed during the War. However uneconomic these new producing units may have been, their owners were clamorous for tariff protection. They were aided in their fight by individuals and groups who were convinced that the War had demonstrated the need

for a maximum degree of national self-sufficiency, even at the price of supporting a variety of uneconomic industrial units.

The extent of these tariff changes can be roughly estimated on the basis of the following table of the average ad valorem level of customs duties.

TABLE XXVI
AVERAGE AD VALOREM LEVEL OF CUSTOMS DUTIES ¹³

	1925 LEVEL AS A PER CENT OF THE 1913 LEVEL
Argentina	100
Australia	145
Belgium	135
Canada	85
Czechoslovakia	105
Denmark	70
France	70
Germany	125
Hungary	130
India	360
Italy	100
Netherlands	130
Spain	130
Sweden	80
Switzerland	170
United States	180

The difficulty of arresting such an upward movement is attested by the fact that in the four years from 1925 to 1929, years which have generally been regarded as a period of postwar recovery, nine European countries (Austria, Belgium, Denmark, France, Germany, Holland, Sweden, Switzerland, and Great Britain) substantially increased their tariffs, while only six countries (Czechoslovakia, Hungary, Italy, Poland, Spain, and Yugoslavia) effected certain rather small reductions. France raised her tariff level by 30 per cent in April 1926, and by a second 30 per cent later in the same year when the fall of the franc had created a difficult situation. Many new items were added to the dutiable list.

The general postwar increase in the number of dutiable items has already been cited. In addition to these, there were other significant developments, one of which was the change in British tariff policy. In 1921, the

¹³ For the complete table and an explanation of the method of calculation, see League of Nations, *Tariff Level Indices* (Geneva, 1927), p. 15. The American percentage is based on the 1914 tariff.

Safeguarding of Industries Act, designed to foster certain domestic "key" industries, was passed by Parliament. It provided for a $33\frac{1}{3}$ per cent duty on a limited range of articles, such as scientific instruments, optical glass, and essential chemicals, and it established the principle that any British industry which could fulfil certain requirements might ask for a "safeguarding" duty. Many applications were promptly laid before the Import Duties Advisory Committee and some of them were granted, but as late as 1930 83 per cent of all imports continued to come into Great Britain duty-free. Although a politically significant breach in the British free trade wall had been made, it was not until the advent of the depression that the British defenders of free trade finally capitulated.

One particular reason for the British safeguarding duties and for many tariff increases was the desire to protect domestic industry against what postwar parlance referred to as "exchange dumping." In other words, a country with a depreciated currency could throw vast quantities of export goods upon the world market at a price which could not be met by competitors within countries where no substantial currency depreciation had taken place. Under these circumstances it seemed plausible for a manufacturer to ask for a higher tariff because of the abnormal competition created by currency depreciation in the country where his competitors were located.

But the new trade barriers were not limited to tariff increases and the trend away from general most-favored-nation conventions. There was also an alarming increase in the use of quotas, export prohibitions, export taxes, and government licensing systems. Prior to the War, there had been occasional examples of the restriction of imports by quota specifying the maximum amount of a given commodity which might be legally imported during a specified future time. Such limitations applied either to aggregate importations from whatever source derived, as did the Canadian sugar quota of 1907, or to certain imports from specified countries, e.g., the Austro-Hungarian limitation upon livestock imported from Serbia, Bulgaria, and Roumania. The War made such restrictions quite common, and some states adopted an even more drastic policy of prohibiting all imports and exports except those for which special licenses had been procured. After the War, many states continued to regulate trade by assigning an import quota to each of the chief countries from which such goods were normally purchased. Often these quotas were fixed by a commercial treaty. Czechoslovakia, for example, agreed in 1923 to admit annually from Greece 6,720,000 kilos of dried figs, 500,000 kilos of olive oil, and 15,000 kilos of brandy.¹⁴ Similarly, Austria limited her imports of American automobiles to 300 a month, and Czechoslovakia set quota limits on her imports of American automobiles, motion picture films, and red clover. Occasionally,

¹⁴ League of Nations, *Treaty Series*, XXI, 223.

too, these quotas were applied to exports, chiefly as a means of pegging the price of an important export commodity or of reducing exports so as to prevent an undue depletion of a country's supply of an important commodity. After the War France prohibited the export of all iron and steel scrap, but, in return for certain privileges, established an export quota in 1922 in favor of Belgium.

To those states which seemed to be struggling against heavy odds to reach a sound commercial footing, the use of an import quota system offered definite advantages. The flow and the balance of trade could be regulated more directly and effectively than by a mere increase in the tariff level. Specific industries could be protected and aided. The internal price level could be safeguarded, and retaliation by means of quota reduction could be speedily and effectively achieved. As a flexible yet firm device to hold imports to a desired point, the quota system was undoubtedly efficient. On the other hand, it was technically somewhat complicated to administer. It necessitated further governmental interference in business affairs, it violated the spirit of the most-favored-nation clause, and it tended to diminish the amount of competition in the import trade. Also, it brought no revenue into the treasury. Consequently, although undoubtedly effective, the device was and is the object of much criticism by all who are interested seriously in increasing the volume of international trade.¹⁵

Export taxes were also revived. Long a favorite device for procuring revenue and, when used in a discriminatory fashion, for guiding exports into certain channels, export taxes had gradually been abolished by most of the important trading powers during the middle years of the nineteenth century. Only states of lesser importance, such as Turkey, Persia, and Siam, had retained this type of trade barrier. After the World War, however, and as a consequence of disastrous currency inflation, export taxes were resurrected, especially in the Balkan states, the Baltic states, and to a limited extent in France. Though in most cases these were not serious enough to constitute a formidable trade barrier, the fact that they were levied upon such basic commodities as live animals and animal products, cereals and flour, coffee, tea, rubber, tin, petroleum, iron ore, timber, sugar, and so on, resulted in increasing total consumer costs.¹⁶

The period of general instability which was characterized by the widespread use of such trade barriers as those discussed above lasted until about 1924. Thereafter, for the next five years, conditions grew progressively better. Exchanges became more stable and there was a general return to

¹⁵ See a memorandum by E. B. Dietrich in R. M. Hutchins, *et al.* (eds.), *International Economic Relations* (Minneapolis, 1934), pp. 314-22.

¹⁶ For a comprehensive list, see H. Glivic, *Export Duties* (League of Nations, Geneva, 1927), p. 14.

the gold standard and a greater freedom of gold movements. Temporary commercial arrangements were replaced by treaties and conventions of longer duration, and there was a partial return to a wider use of the unconditional most-favored-nation clause. Even French policy, which had contributed to the forces of chaos, now happily began to lead the way back to the use of the unconditional form of the clause. The signing of the Franco-German commercial treaty of 1927, which contained the clause in its unconditional form, was properly regarded as an event of major significance.

LOWERING TRADE BARRIERS:
THE WORLD ECONOMIC CONFERENCE OF 1927

As conditions became more stable, money became freer, production increased, and international trade began to swell in volume and value. An atmosphere of optimism, which later experience proved to be unfounded, pervaded the business world. Except for Europe, where the continental share in world trade was still below the 1913 figure, the other continents had by 1925 surpassed their prewar trade volume, and it seemed as if Europe, too, would soon do as well. Still, there was a plethora of trade obstructions, and tariffs remained at much higher levels than in prewar days. The feeling among economists was that such recovery as had been achieved could be attributed to the removal of the worst of the early postwar trade barriers. Since times were definitely better, it seemed advantageous to seize the opportunity and press concerted action against those trade impediments which remained. Specifically, if tariffs could be lowered, import and export restrictions reduced, tariff nomenclature simplified, discriminatory practices abandoned, and the most-favored-nation clause restored, the remaining evil effects of the War might soon be destroyed.

It was with all this ambitious program in mind that, in 1925, the League of Nations Assembly decided to sponsor an International Economic Conference. The following year was spent in careful preparation, an agenda was drawn up, and a number of special studies were prepared by League experts for the use of the Conference. The Conference itself met in May 1927 and drew up an admirable report which, if it had been put into execution, might have eliminated most of the existing trade obstacles.¹⁷

With respect to tariffs, the Conference declared categorically that "the time has come to put a stop to the growth of Customs tariffs and to reverse the direction of the movement by an effort made along three lines, viz:

¹⁷ League of Nations, *Report and Proceedings of the World Economic Conference* (Geneva, 1927), *passim*.

1. Unilateral action by States with regard to their own tariffs;
2. Bilateral action through the conclusion of suitable commercial treaties;
3. Collective action . . . by removing or lowering the barriers to international trade which are set up by excessive Customs tariffs.

Further, the report denounced the use of export duties, especially when they were applied in a discriminatory fashion, and it inveighed equally against the nondiscriminatory ones which were so high as to impede the free flow of raw materials and consumption goods. The report also declared that "commercial treaties should contain the unconditional most-favored-nation clause in its broadest and most liberal form, and the League of Nations is recommended to consider the possibility of establishing clear and uniform principles in regard to that clause."

Unfortunately, no one of these three approaches to the problem of tariff reduction proved to be fruitful. There were some temporary unilateral reductions in duties, but most states hesitated, in the face of strong internal opposition, to go far in this direction without the assurance, which was not forthcoming, that other states would hasten to follow with equivalent concessions. The bilateral method was in turn frustrated largely by the insistence of high-tariff nations, such as the United States, upon sharing through the most-favored-nation clause in the benefits of tariff reductions, reached on a bilateral basis by other states, without offering any reciprocal reductions. The collective method likewise failed, partly because it was too cumbersome and partly because the domestic pressure upon each government was so great that it entered each conference with a desire to drive as hard a bargain as possible, rather than to coöperate freely in a common effort. The World Conference had shown the way to recovery, but the technical and, above all, the political obstacles, were too great.

XVI

ECONOMIC NATIONALISM AND THE DEPRESSION

TO MOST observers, the international situation in the midsummer of 1929 seemed extremely promising. For one thing, German reparations had been reviewed in the early spring by another international committee, headed by Owen D. Young, and a revised schedule of payments acceptable to the German delegation had been adopted. While this negotiated settlement, the so-called Young plan, did not materially lessen the total amount of reparations which Germany might ultimately be called upon to pay, it did link them with the Allied war-debt payments so that, if the United States should relent, German payments would be lightened accordingly. Moreover, the new plan separated future annual payments into conditional and unconditional parts. In bad years the conditional payments could be temporarily postponed upon request by the Berlin authorities. A second element of flexibility was provided by the abandonment of Allied transfer control as it had operated under the Dawes plan and the creation of a Bank of International Settlements at Bâle which was to be entrusted with the task of receiving reparations payments and allocating them to the deposit accounts of the various Allied central banks. The creation of a "world" bank, which might grow into a kind of international central bank, was hailed by many persons as a constructive achievement of no mean importance. At last, it was thought, the reparations scheme had been revised in a way which was satisfactory to Germany; it had been equipped with devices which would provide ample flexibility; and, best of all, it possessed constructive features which might become of great importance in general international financial coöperation.

Another source of optimism was the fact that in the spring the French Parliament, after three years of delay, had at last ratified the Mellon-Béranger plan for the payment of the war debt to the United States. It was true that the ratification stipulated that future remittances to the United States should be contingent upon the continued payment of reparations by Germany, but this qualification aroused remarkably little comment in the United States.

These developments, however, were destined to be the last indications of a growing appeasement and a disposition to close the accounts of the War. Unnoticed by most persons in or out of the ranks of officialdom, the forces of catastrophe were already at work and they were ready to plunge the world into the abyss where it was destined to gather the final and bitter fruits of the War.

It has already been pointed out that the apparent European economic recovery of the mid-twenties was brought about by the continuous flow of money, chiefly American, which poured into corporate and governmental coffers. Although this flow continued until 1930, the emergence of the Wall Street boom reduced sharply the net outflow of American foreign investments because an increasing volume of European funds began to flow across the Atlantic in order to share in the golden profit opportunities of the rising stock market. This movement of funds toward America created financial tension in the European money markets almost immediately. Credit became restricted and there was some gold loss—all of which intensified the intolerably heavy burden of international indebtedness.

In the United States the authorities were so handicapped by a lack of centralization in the American banking system that they were unable to keep the boom under control. Moreover, those who manned the finance controls were undoubtedly influenced by the widely prevalent economic doctrine which asserted that the spectacular rise in stock market prices was not a bubble that would soon burst, but a permanent and salutary change reflecting a new high level of American prosperity. This belief in the innate soundness of the situation was reinforced by the confusing fact that the industrial boom was accompanied by a decline in the wholesale price index. The rapid pyramiding of broker's loans in New York was one of the first indications of danger. By the end of 1928 they had reached the impressive total of 6.5 billion dollars and the more conservative financial journals were beginning to replace their earlier optimism with a new note of genuine alarm.¹ Other signs of warning were becoming more and more apparent. Particularly important was the chronic condition of agriculture. American farmers had not shared in the industrial boom but had striven vainly to carry the high fixed charges resulting from wartime expanded production and increased mortgage indebtedness. Now, as European agricultural production returned to normal, and as the effect of secular changes in food and clothing habits became increasingly noticeable, the plight of American farmers became more and more critical. President Coolidge could declare in his annual message to Congress in 1928 that "no Congress of the United States ever assembled, on surveying the state of the Union, has

¹ Cf. "The Long Boom, the Bull Market and Active Production," *Commercial and Financial Chronicle*, 29 December 1928.

met with a more pleasing prospect than that which appears at the present time. . . . The requirements of existence have passed beyond the standard of necessity into the region of luxury. . . . The country can regard the present with satisfaction and anticipate the future with optimism." But even this exuberant view was tempered by a series of recommendations for farm relief.

This was not all. American industrial producers, misled by the continued expansion of foreign and domestic markets, continued to enlarge their production in the apparent belief that market expansion would continue indefinitely. At the same time, other American industrial interests, feeling the pinch of European and Japanese competition, worked resolutely to build up national sentiment for a tariff increase which would insulate the domestic market more effectively from these external menaces.

The end of the boom came in October 1929 when the unstable structure of security prices tottered and collapsed with a resounding crash. In the first week of the great selling orgy more than 60,000,000 shares were dumped upon the panic-stricken market. Important stocks fell from 50 to 100 points, and in one day, 23 October, listed stocks depreciated more than \$4,000,000,000.

Such indescribable confusion could not last and, after the first shock, the market became steadier and even regained a little of its lost position. In the months that followed the extent and seriousness of the crash were sadly underestimated. As one recent commentator has pointed out, "the crowning misfortune of the year 1929 was to underestimate the damage which had been done. . . . If agriculture, foreign debts, working conditions, and tariffs had been readjusted with a view to long-run developments rather than to narrow competitive gains for the immediate future, much of the later trouble would have been avoided."² But this is the wisdom of hindsight. Actually, the policies adopted during the ensuing months in the United States were destined to prolong and intensify the effects of this first manifestation of the fundamentally unsound condition of world economic affairs.

First and foremost was the question of commercial policy. In the 1928 presidential campaign the Republican party had pledged itself to attack the agricultural problem—a promise which the Hoover Administration proposed to carry out by a limited tariff revision designed to increase rates in the agricultural schedules. Actually, when the new administration prepared to fulfil its promises, it proved to be politically impossible to prevent the revision from becoming general, and industrial representatives and lobbyists crowded congressional committee rooms to plead for higher duties on items in which they were interested.

² E. L. Dulles, *Depression and Reconstruction* (Philadelphia, 1936), p. 176.

The result was the notorious Smoot-Hawley Tariff Act, signed by President Hoover on 17 June 1930. By this law, the duties on 890 classes of items were substantially increased and the general level reached 41.5 per cent ad valorem. Not only was this the highest tariff wall in American history, but it forced the United States to share with Spain the dubious honor of possessing the highest general tariff level in the world.

Internationally, the repercussions of this new tariff were immediate. Formal protests against proposed schedule changes were lodged by the Dominican Republic, Austria, Belgium, Czechoslovakia, Germany, Greece, the Netherlands, Norway, Sweden, Turkey, the United Kingdom, British India, Japan, and Egypt. The new act had scarcely been promulgated when a dozen other countries, including Canada, Mexico, Cuba, France, Italy, Argentina, and Brazil announced that, as a measure of retaliation, they proposed to raise their duties on certain classes of American imports.³

It is not difficult to understand why this tariff should have evoked so many protests and reprisals. The creditor position of the United States made it necessary for the debtor states to seek a favorable balance of trade either by export expansion or by import contraction. When the United States gave warning by this tariff act that it proposed to maintain both a creditor position and a highly favorable trade balance, it left the other states with no alternative but to close their own markets so far as possible to American and all foreign goods. There was no assurance that even this measure of protection would make it possible for the debtor states to maintain their financial stability, but it was the only policy, once America had taken its stand, which they could possibly adopt. It is in no sense an exaggeration of fact to say that the Smoot-Hawley tariff, more than any other single thing, was responsible for the transformation of the stock market crash into the most devastating depression which the world has yet known.

This act forced other nations to adopt a variety of short-time expedients, the cumulative effect of which was to destroy most of the domestic protective value of each, thereby leaving all the countries in a worse condition than before. More than this, by causing the desperate and hurried adoption of these new policies of economic warfare, the Smoot-Hawley tariff was instrumental in placing the world in the worst possible condition, psychologically, for any serious consideration of the coöperative, long-term measures which alone might have sufficed to save the day. Not only had the momentary opportunity been missed, it had been deliberately repudiated.

As state after state hastened to build higher tariff walls, signs of impending crisis were not lacking. In Germany there now appeared the first

³ See J. M. Jones, *Tariff Retaliation; Repercussions of the Hawley-Smoot Bill* (Philadelphia, 1934), *passim*.

indications of the crystallization of popular opposition to the Stresemann-Bruening policy of coöperation. This was evident in the elections of 14 September 1930 when the Nazi party of Adolf Hitler suddenly shot up from a position of parliamentary obscurity with twelve seats to one of national prominence with the surprising total of 107 seats. A second warning appeared in the following month when there was a sharp flight of domestic and foreign capital from the mark. By December, Herr Bruening was forced to call the attention of the Allies to the growing popular resistance to the payment of further reparations. [In Austria, too, the effects of a League of Nations loan of 1922 had long since worn off and there had been fresh loans, notably in 1930. In financial circles it was generally realized that the position of nearly all central Europe was extremely precarious, now that foreign loans had virtually ceased and trade barriers were rising. Since there was a great deal of short-term money in Germany there was a growing realization that any sudden or widespread attempt to repatriate these foreign credits would assuredly produce a condition of severe crisis.]

[It was in the spring of 1931 that the threatened collapse became a genuine danger. In May, following a routine accounting, it was learned that the *Kredit-Anstalt* Bank of Vienna was in serious financial difficulties. This bank had extended credits to Austrian industry in such volume that its condition literally reflected the condition of Austria. Consequently, when the announcement of its virtual insolvency reached the public, the situation became extremely grave.] As one expert observer said, "a crack had developed in the carefully constructed and patched façade of international finance and, through this crack, already timid investors and depositors caught glimpses of a weak and overburdened structure. It was not only a bank which threatened to collapse, but the whole system of overextended financial commitments which was the worst legacy of the war and of the subsequent credit expansion."⁴

[The first crack had come in Austria, but it was to Germany that the world of international finance now turned with alarm, for it was realized that the weak, heavily indebted position of that country would cause the mark to be subjected to immediate and serious pressure through an attempt to withdraw short-term foreign credits.] Also, [Germany had advanced large short-term credits to Austria, credits which were now in serious peril. The situation was so alarming that the German government appealed immediately to the United States for aid and, after an unfortunate period of hesitation, President Hoover proposed on 21 June that a year's moratorium be adopted for all intergovernmental payments. Had this proposal come immediately after the Austrian crash and had it envisaged a longer period

⁴ J. B. Condliffe in the League of Nations, *World Economic Survey, 1931-32* (Geneva, 1932), pp. 72-73.

than a single year, it is possible that the flight from the mark and the general European collapse might have been stopped. But the proposal was late, and the French government displayed an unfortunate tendency to make its approval contingent upon the acceptance of political conditions by Germany. Although moratorium arrangements were finally adopted on 6 July 1931 their potential tonic effect was seriously impaired.³

It is unnecessary to recount in detail the way in which the crisis deepened. An international credit of 100 million dollars was arranged for the German Reichsbank but three-fourths of this was exhausted in less than a month. Even an emergency decree whereby German banking, trade, and industrial establishments jointly provided RM 500 millions for the use of the Gold Discount Bank failed to revive the waning confidence of investors in German stability. On 13 July, the *Darmstädter* Bank closed its doors and the alarmed government promptly closed all banks for two days and then allowed them to reopen only for limited business.⁴ The establishment of rigid currency controls, together with an agreement by foreign holders of short-term credits not to attempt an early repatriation of their money (the "standstill" agreements) and the Hoover moratorium, did prevent a complete collapse in Germany, but even so, confidence had been destroyed. Thereafter, the question was, "In which country will the next investor's panic occur?"

Curiously enough, it was in London that the signs of serious strain next appeared. Many factors contributed to cause a loss of confidence in the proverbial stability of that great financial center. Extensive unemployment in Great Britain had remained as a consistent index of an industrial distress which had been accentuated sharply by foreign trade losses following the unfortunate decision to return the pound to gold at an overvalued rate in 1925. The maintenance of a high import level, despite a vigorous "Buy British" campaign, had testified that the famous consumer psychology of the British people could be an element of temporary weakness in times of stress. The results of this situation were reflected in growing budgetary troubles. At the end of July 1931 an official committee made the alarming report that the governmental deficit for the coming year would not be less than 120 million pounds, a statement which foreshadowed a probable rise in the already heavy burden of British taxation.

Among the international factors responsible for the appearance of British weakness, the most important was the fact that London had extensive short-term credits and balances in Germany. Now that these were frozen and their ultimate value somewhat problematical, it was impossible for London to meet foreign depositor demands by the repatriation of its own external credits. Thus, when foreign depositors became alarmed and sought to move their money from London to places of greater security and greater

earning power, the inevitable result was an increasingly heavy drain upon the gold reserves of the Bank of England. Approximately a billion dollars in gold was drawn from London in the sixty days following the middle of July. Unable to secure funds from frozen foreign accounts, the British officials turned desperately to seek aid from French and American central banks. But when 130 million pounds had been borrowed with no effect upon the drain it was decided to give up the fight and on 21 September gold and the pound parted company once more.⁴

The immediate repercussions of this momentous decision to abandon the gold standard were rapid and widespread. Other countries whose currencies had been technically "on the gold standard," largely because their central banks had held an adequate quantity of sterling exchange, were immediately forced to leave gold. Within the next few months all the British Empire, except the Union of South Africa, all the Scandinavian countries, Portugal, Egypt, Bolivia, Latvia, Finland, Japan, Greece, Peru, and others had perforce followed the British example.

The situation was quite different in France. Following the legal stabilization of the franc at an 80 per cent devaluation in June 1928, gold had flowed steadily into the coffers of the Bank of France. By September 1931 the reserves of the Bank of France were twice as great as in 1928, yet the volume of foreign assets had not sensibly diminished. Most of this gold had come from England and the United States, and it has been charged, though on dubious grounds, that the Bank of France had deliberately used gold withdrawals as a political weapon.⁵ As a matter of fact, the Bank of France not only participated in the loans to the Bank of England but it suffered a net loss of 2.4 billion francs as a result of the depreciation of its holdings in sterling exchange.⁶ Consequently, though the Bank had come to the aid of England, it was not anxious to incur further losses and it proceeded to liquidate a large part of its billion dollars of foreign assets, most of which were held in dollar exchange or balances. It should be added that this decision was motivated, at least in part, by the widespread European fear of American currency stability.

The result of this policy was the much-discussed "raid on the dollar." Gold withdrawals from the United States continued rapidly throughout the twelve months following the British abandonment of the gold standard, and, all in all, something over a billion dollars in gold was thus exported. Despite current agitation, the strain upon the United States was not excessive. By the end of 1932 France had acquired in this way a gold reserve equal at that time to 30 per cent of the entire world's gold stocks, a hoard

⁴ See P. Einzig, *Behind the Scenes of International Finance* (London, 1931), *passim*.

⁵ J. C. DeWilde, "French Financial Policy," *Foreign Policy Reports*, 7 December 1932, p. 238.

second only to that of the United States. Thus France was enabled to remain on the gold standard, and her position made it possible for some of the smaller continental countries, such as Belgium, Holland, and Switzerland, whose currencies were more or less closely related to the franc, to remain in the minority of "gold" countries.

One immediate effect of this collapse of the international financial structure and the resulting fluctuation in exchange rates was to bring the whole question of intergovernmental debts back again into the limelight of international politics. As the spring of 1932 brought no relief from strain, it was generally recognized that the resumption of German reparations payments at the end of the Hoover moratorium year would be impossible. Accordingly, an international conference met once more, this time at Lausanne, and proceeded to follow the only practicable course which was open. On 16 June an agreement was signed which for all practical purposes brought the decade of reparations bickering to an inglorious end. The moratorium was to be continued for three years. At the end of this time a German bond issue of three billion gold marks, which was to constitute a final reparations payment, was to be offered upon the world market.

It is more than doubtful if the Allies really anticipated the flotation of this bond issue for they provided that it should not be issued if it would jeopardize the stability either of German or of the world exchanges. What really happened was that the Allies finally admitted that reparations could not and should not be collected. In effect, they wiped the slate clean, leaving Germany only with a possible nominal obligation which would amount to less than 10 per cent of the Young plan burden. This small technical obligation was little more than a sop to public opinion in the Allied countries.

Theoretically, the release of Germany from her obligations was made contingent upon the willingness of the United States to moderate its own war debt demands, but it was generally realized that, whatever the attitude of the United States might be, there could be no possibility of restoring the Young plan payment schedule. Under the impact of the depression, one aspect of the "Versailles system" had been abandoned.

But the inter-Allied war debts were another matter. In the United States there was little popular understanding of the complicated process involved in the repayment of such huge international indebtedness. It was generally assumed that the foreign governments were attempting to evade the payment of their just debts by methods which, ethically speaking, were dubious indeed. The American taxpayer, and the average congressman as well, was convinced that the primary question involved the will of the debtors to pay their debts and not their ability to do so. Consequently, the question having become distinctly political in character, the British request

for an extension of the Hoover moratorium and for a reëxamination of the debt agreements met with a curt refusal in Washington. There were angry words on both sides of the Atlantic but, in the end, Great Britain, Italy, and some of the smaller countries met their scheduled payments in December 1932.

In France, the problem of payment resumption produced a cabinet crisis and the Chamber of Deputies, pointing to the strings which had been attached to the Mellon-Béranger plan, overturned the Herriot ministry and voted in favor of default.⁷ A similar policy of default was adopted by the financially harassed governments of Poland, Belgium, Estonia, and Hungary.

The subsequent history of the war debts can be summarized briefly. Still hoping for a change of heart at Washington, the British government made a token payment of ten million dollars in June 1933, and this lead was followed by Italy, Czechoslovakia, Latvia, and Rumania. With the exception of Finland, which was in position to pay its own small debt charges in full, the other states remained in default. Later, when the Johnson Act of 1934 made it necessary to regard as defaulters all states which had not met their payments in full, the fiction of token payments was dropped and, with the exception of Finland, all war debt payments ceased. Since that time the semiannual statements of the American treasury have been politely but firmly rejected. It may be that, when times are better, some of the debtor states will arrange for a small face-saving cash settlement, but except for this possibility, there can be little doubt that the depression has brought intergovernmental payments to a belated and inglorious conclusion. It is unfortunate that the American opportunity to aid world recovery and, incidentally, to gain much political "good will" capital, had been neglected for a shortsighted policy which was so signally at variance with the economic realities of the postwar world.⁸

Political debts, however, were not the only victims of the depression. Financially speaking, the payment of war debts and reparations was in no

⁷ It should be recognized that this French decision was the result of a great number of forces, some of which were psychological and some economic. Paramount in influence was the effect of the cancellation of German reparations and with it, the final realization by the French taxpayers that they, and they alone, must bear the French war costs. To this must be added the effects of French resentment over the Smoot-Hawley tariff, the languishing state of French exports and the alarming reduction in tourist traffic. Lavish expenditure by American tourists had created a widespread popular belief in France that America was a land of unlimited wealth which could have afforded a policy of greater generosity toward her former allies, whose contributions both in men and money had been so much greater than her own. Bitterly assailed in America, the French decision was supported by nearly all sections of the public opinion at home.

⁸ See H. G. Moulton and L. Pasvolsky, *War Debts and World Prosperity* (Washington, D. C., 1932), *passim*.

way different from the repayment of the long- and short-term private debts, as well as the debts of governments to private foreign creditors. The heavily indebted, economically weak countries now found themselves in the unenviable position of being forced to meet external debt payments for which they had no adequate reserves in the form of foreign balances. Nor had they any way of accumulating such balances save by the creation of favorable trade balances. This was well-nigh impossible for, as has been noted, the goods which debtor countries could offer commanded ruinously low prices in a market which was constantly being diminished by new trade barriers. The inevitable result was an impressive series of debt defaults and transfer moratoria.⁹ In many cases the latter method was followed, and debt payments were deposited regularly to the account of the creditor in a bank of the debtor country. There, however, the transaction stopped, for the creditor could not transfer these accounts into his own currency. These "blocked" accounts were thus frozen and the bondholders had no opportunity to secure their money except as persons in the creditor country wished to import goods from the debtor country. By 1932, there were "blocked" accounts of this kind in twenty-two countries.

Naturally, these financial difficulties had a most injurious effect upon foreign trading. Without entering upon any discussion of the cause-effect relationship between the volume of international trade and the existence of increased tariff and financial barriers in a debt-ridden world, it is sufficient to note that restrictions continued to multiply and trade continued to decline. The fall in the value of international trade was staggering. This was due, partly, to the decline in the volume of goods exchanged, but chiefly to the rapid fall in prices. In 1925, the total value of world trade was estimated at 68.6 billion dollars. By 1933, it had fallen to 24.1 billions.¹⁰ In other words, if the 1925 value be considered as 100, the 1933 index was only 35. The index declined still further in the following year. The decline in the quantum—that is, in the value of trade after correction for price changes—was less spectacular. On the basis of 1929 = 100 it sank to 74.5 in 1932. Thereafter, it rose steadily until, by 1937, it had recovered to 97. This recovery was uneven. Agricultural and industrial products continued to lag behind while, because of rearmament, trade in raw materials was nearly 12 per cent greater than in 1929.¹¹

⁹ In 1934, British investors received no interest on 60 per cent of their Latin-American holdings. In 1935, nearly 40 per cent of American foreign dollar bonds were wholly or partially in default.

¹⁰ League of Nations, *World Economic Survey, 1933-34* (Geneva, 1934), p. 187.

¹¹ *Ibid.*, 1937-38 ed., p. 119.

THE SEARCH FOR A WAY OUT

As trade declined, prices fell and debt burdens grew intolerably heavy. Under this pressure, country after country sought to find a way to protect itself from sinking further into the morass. It was wholly natural, under such circumstances, that harassed statesmen should have turned first of all to the convenient weapons of currency and trade policy. There were two possibilities to be considered: these policies might be decided upon and applied individually or, as an alternative, a common trade and currency policy might come out of a successful international conference. Since both solutions were attempted, we must examine, first of all, the individual attempts to find economic salvation.

Following the financial disasters of 1931, the nations found themselves divided into several different currency-policy groups. First, there were those which retained the gold standard without any devaluation of the national monetary unit. France, Switzerland and Belgium were the chief states of this "gold bloc." The United States was also a member until the adoption of a new currency policy in 1933. In order to maintain national currencies on a gold basis without any devaluation in such a time, it was necessary for the governments to follow a policy of rigid price deflation and cost reduction, together with drastic limitations upon imports. France, for example, effected a price level reduction in 1934 of 60 per cent. During the same year imports were reduced by more than 50 per cent.¹²

Such a policy of economic constriction may have had the salutary effect of ridding the countries involved of many economically unsound institutions, but its social and political consequences were so threatening that many observers wondered if the fabric of society would be able to withstand the strain. Ultimately, all of these states gave up the fight and, voluntarily or involuntarily, abandoned a deflationary policy. In the case of France, where deflation was defended until September 1936, the change came as a result of overwhelming pressure. The United States reversed its stand with the advent of the Roosevelt Administration and the subsequent devaluation of the dollar, not because there was an insufficiency of gold to withstand the strain but because the administration was committed to a policy of raising the commodity price level. The collapse of the gold bloc was complete and, by the end of 1936, not a state in the world had its currency on a freely convertible gold basis. The attempt to achieve recovery through deflation was a dismal failure wherever it was tried.

Another and larger group of states divorced their currencies entirely

¹² *Op. cit.*, 1934-35 ed., pp. 8-9.

from gold. Most of the smaller states of this group continued to follow the course of the British pound, the stability of which was maintained by the use of a large and carefully manipulated equalization fund. Such funds are sums of money placed at the disposal of Treasury authorities to enable them, through large-scale buying and selling of currencies, to check undue fluctuations in the rate of the currency in question. Theoretically, the complete separation of a currency from gold means that the authorities have decided to allow it to sink to a new "natural" level. Actually, the British and the American equalization funds have kept these two great currencies in a reasonably stable relationship with each other, and this has had a steadying effect upon the currencies of smaller states.

Such departures from the gold standard have generally produced a decline in currency values. Between June 1933 and June 1934 the currencies of thirty-two states declined in comparison with 1929 gold parities. Not all of these states used this decline as a basis for a program of extensive inflation but, in most cases, devaluation has permitted credit expansion, given exports a temporary stimulus, and has helped to produce a rise in the commodity price level.

States of a third group have followed a different policy. They have preferred to keep a nominally high exchange rate and to relieve the intolerable strain by allowing certain segments of the exchange to depreciate. Germany, the chief exponent of this policy, has maintained the mark at a rate which is everywhere recognized to be overvalued. The high rate is made possible, despite an almost total lack of gold, by the use of rigid exchange controls. This means that no German may import a consignment of foreign goods unless he can obtain a license from the government to do so. Available foreign exchange is distributed by the government, first of all to those imports which are primary to the needs of the nation or to the successful execution of a particular national policy.

Obviously, although such an exchange policy would make it possible for a German importer to purchase foreign goods on extremely favorable terms, it is an arrangement which tends to discourage foreign purchases of German goods, and which makes it difficult for the ordinary German importer to obtain exchange with which to finance his imports. Hence the need for exchange control, and hence also the need for measures of relief. To secure the latter, the German government offers to sell special marks at a 20 to 35 per cent discount to foreign importers of certain categories of German goods. The amount of the discount is determined largely by the state of the trade between the two countries in question. Since these special marks can only be used for the purchase of certain commodities, there may be several different classes of marks, sold at different rates to importers in the same country. The special tourist marks offer another example of this

partial devaluation to attract foreign buying. Obviously, such a system is a necessary concomitant of a controlled and overvalued currency, but it is extremely complicated to administer and it does not offer an attractive long-term prospect for the welfare of the country. In 1937, some form of exchange control was practiced by no less than thirty-seven countries.

Side by side with the policy of currency manipulation, various countries have made use of emergency trade regulations to protect themselves from the ravages of the depression. In creating new types of trade barriers, they endeavored to protect themselves from the competition of states in which a relatively greater currency devaluation had occurred. Facing a sharp decline in all the credit elements of their balance of payments, they concluded quite naturally that their only safety lay in the adoption of measures which would reduce the debit elements as well. Internationally speaking, the great difficulty has been that the measures which a country has adopted in order to reduce its own debit balance have automatically reduced the credit balances of other states. How to escape from this vicious circle, with its devastating effect on the volume of international trade, is one of the major international problems created by the depression.

Under such circumstances it was inevitable that tariffs should have been remodeled, duty schedules increased, and new lists of articles removed from the free list. It was in Great Britain that the most striking change in tariff policy occurred. Traditionally devoted to the principle of free trade, the British government concluded that the separation of the pound from gold should be accompanied by tariff measures which would partially offset the currently unfavorable British trade balance, and which in a world of disappearing markets would tend to reserve the valuable domestic market as far as possible for the British manufacturer. The great difficulty was that, because of British dependence on imported supplies of food and raw materials, a tariff would result in an undesirable and politically unpopular increase in the cost of living. Nonetheless, a temporary tariff was adopted in December 1931, applying chiefly to those classes of articles which had been recently imported in abnormal quantities. In 1932, the enactment of a general tariff marked the definite departure of Great Britain from the ranks of the free traders. The same year produced partial or complete tariff revisions, all of them upward, in every country from which information could be procured by the League of Nations Economic Intelligence Service.¹⁸ The tariff war was on.

Far more drastic in its immediate effect on the flow of trade was the widespread adoption of new quantitative limitations upon imports. As early as the third quarter of 1931, France and Belgium introduced a system of import licenses—a natural corollary to the policy of deflation—and this

¹⁸ *Op. cit.*, 1932-33 ed., p. 193.

practice soon spread to many other countries. Quotas were established for all classes of articles, the importation of which seemed to threaten the existing, or the future, development of important domestic industries. Usually, these quotas were not blanket quotas covering all imports of the articles in question, but were established for each country which normally furnished a share of the import market.

The advantages and disadvantages of such a quota system have already been discussed. For the purposes of protection against depression it offered a state such as France, whose tariff is primarily a conventional one, a quick and easy means of reducing imports without tampering with the existing tariff structure. On the other hand, it produced much friction, for producers in states receiving a low quota demanded retaliatory action. Finally, it complicated the international trading situation by introducing elements of rigidity which tended to make the course of trade insensitive to price changes and technical improvements.

It should be noted that the quota system has been accompanied in many cases by the adoption of other special types of trade restriction, and particularly by the imposition of full exchange control. When it seems desirable to secure the redressment of the trade balance with a particular country, the import quotas on goods coming from that country can be reduced enough to produce the desired effect. A variant of this is the practice of penalizing imports from, and subsidizing exports to, the country in question. Thus, in 1935, Hungary adopted a scheme whereby all exporters received a bonus of 50 per cent more than the regular export premiums for all their exports to the United Kingdom, the United States, the Netherlands, the Scandinavian countries, Poland, and Spain. Hungarian importers of goods from these countries were required to pay a special surtax of 53 per cent. Present-day Germany guides her foreign trade partly by the manipulation of quotas in order to direct imports and partly by the encouragement of certain exports through the use of special "cheap" marks with which the foreign importer may pay for his goods.

More drastic than the use of quotas or discriminatory trade subsidies and penalties has been the adoption of absolute prohibitions upon the import or export of certain articles. Export prohibitions have been adopted in order to preserve a limited domestic supply of something which is valuable to the country, especially for military uses. The American prohibition of the exportation of helium gas is an illustration of this. Import prohibitions usually result from a lack of available exchange, and the establishment of exchange control has frequently been complemented by the prohibition of all imports of certain nonessential commodities, usually luxury articles.

Another depression phenomenon is the clearing agreement. This is a device which introduces formal state control over an aspect of international

trade formerly left in private hands entirely. Briefly, a clearing agreement is an arrangement between two governments whereby each establishes a single official clearinghouse for all trade operations carried on by its citizens with those of the second state. Thus when states A and B set up a clearing system, the clearinghouse in A receives all the payments derived from A's imports of goods from B and with this money it satisfies the claims of A's exporters of goods to B. The clearinghouse in B performs the same operation for its citizens, and the two clearinghouses keep in close touch with each other.

Such an arrangement is created when A, for example, has established a rigid system of exchange control or has declared a transfer moratorium, and when B is either an important supplier of goods to A and/or a creditor of A. If B is an important creditor of A, the arrangement may provide that B's clearing house will take a certain percentage of the income from B's imports and devote them to the liquidation of previous indebtedness before making any funds available to pay B's exporters which ship to A. It follows that if there is much previous indebtedness, a clearing system will only work successfully if B's trade balance with A is unfavorable. There were 170 such clearing agreements in operation in 1937.

This widespread establishment of clearing agreements has had curious effects upon trade policy, for since imports must be balanced bilaterally by exports, it is to the advantage of each country, especially where there is no previous debt problem involved, to stimulate its imports from the other, for in that way, it will accumulate debit balances which will force the other to increase its imports.

In general, there should be much scepticism as to the value of clearing agreements for other than short-term purposes. This is particularly true because the clearing agreement is an instrument which can be, and is, used to fashion economic systems on entirely new lines dictated by political rather than economic realities.¹⁴ The cumulative effects of these individual policies has been well characterized in a League of Nations Report which, although written in July 1932 is unhappily still true at the time of this writing (1939). In the words of this report ". . . there has been a veritable panic which has piled new tariffs on old, turned licensing systems into prohibitions, monopolies and contingents, denounced existing commercial agreements, created more and more rigid exchange controls, issuing in debt moratoria and paralysed trade, and substituted a slight and temporary framework of clearing agreements for previously existing treaties. The bankers or civil servants have had thrust on them the duty of regulating commercial

¹⁴ On clearing systems and their operation see League of Nations, *Enquiry into Clearing Agreements* (Geneva, 1935), *passim*.

intercourse, and merchants have been so hemmed in by regulations that freedom of trade has almost ceased to exist.”¹⁵

ECONOMIC NATIONALISM AS A PHILOSOPHY OF DEPRESSION

Most people have regarded these new commercial barriers as little more than temporary expedients designed to give a measure of protection against the evil effects of the depression. There are others, however, who have become convinced that they represent less of a temporary change than a permanent abandonment of the *laissez-faire* ideal of the prewar era. Little by little, this second point of view has been developed and argued until, today, it has attained the status of a new economic credo—the credo of economic nationalism, or “autarchy,” as it is called when it assumes its most extreme form.

It must be remembered that large groups of people in all industrial states had never been converted to the *laissez-faire* ideal. Long before the depression, such people denounced free trade and praised the merits of the purchase of domestic, rather than foreign, goods. They argued that when the consumer purchased domestic goods, he benefited domestic industry, whereas foreign producers were the beneficiaries when imported goods were bought in preference to competitive domestic articles. As market competition stiffened during the years immediately preceding the depression, this point of view became more and more pronounced. In England, where the overvaluation of the pound had worked such serious injury to British exports, the result was an intensive campaign to persuade consumers to purchase domestic products. “Buy British” became the slogan which was urged upon the people as a patriotic duty. “Buy American” soon developed as the counterpart in a country where high protectionism had never been seriously challenged. To popular sentiment and national example there was added the experience of far-reaching import restrictions developed by so many states during the depression. It seems fair, therefore, to say that the modern cult of economic nationalism is derived from orthodox tariff protectionism as influenced, first, by the unsettled trading conditions of the postwar decade, and, second, by the apparent lessons of the depression. At any rate, it has emerged as a full-blown theory and, as such, it merits brief examination.

The proponents of economic nationalism argue that they, and they alone, view the world in a realistic fashion. They contend that the basis for the free trade theory of the past century, i.e., the comparative production

¹⁵ League of Nations, *World Economic Survey, 1931-32* (Geneva, 1932), p. 289.

advantages of the various states and regions, has virtually disappeared. As evidences of this, they cite the postwar decentralization of industrial production. Thanks to the new mobility of power and the development of new power sources, industry is no longer tied to a few areas rich in coal resources. Thanks to the increasingly automatic character of machine production. Thanks to the new mobility of power and the development of because of the lack of skilled labor. Thanks also to the development of substitute, or synthetic raw materials, industries can supply domestic markets without depending upon a precarious supply of imported raw materials. This view was ably expressed by John Maynard Keynes in an article published several years ago. Viewing the situation at that time, he said:

But I am not persuaded that the economic advantages of the international division of labor today are at all comparable with what they were. I must not be understood to carry my argument beyond a certain point. A considerable degree of international specialization is necessary in a rational world in all cases where it is dictated by wide differences of climate, natural resources, native aptitudes, level of culture and density of population. But over an increasingly wide range of industrial products, and perhaps of agricultural products also, I have become doubtful whether the economic loss of national self-sufficiency is great enough to outweigh the other advantages of gradually bringing the product and the consumer within the ambit of the same national, economic, and financial organisation. Experience accumulates to prove that most modern processes of mass production can be performed in most countries and climates with about equal efficiency. Moreover, with greater wealth, both primary and manufactured products play a smaller relative part in the national economy compared with houses, personal services, and local amenities, which are not equally available for international exchange; with the result that a moderate increase in the real cost of primary and manufactured products consequent on greater national self-sufficiency may cease to be of serious consequence when weighed in the balance against advantages of a different kind. National self-sufficiency, in short, though it costs something, may be becoming a luxury which we can afford, if we happen to want it.¹⁶

The economic nationalists admit that these developments have not destroyed all the comparative cost advantages of former times, but they do argue that these changes have reduced many of these advantages to such a degree that, when properly protected, domestic producers can supply the home market to an extent which was not previously possible, however great the amount of tariff protection. It is their belief that these remaining advantages will diminish still further under the onslaught of modern science and

¹⁶ J. M. Keynes, "National Self-Sufficiency," *Yale Review*, Summer 1933. Reprinted by permission of the publishers. See also W. B. Donham, "National Ideals and Internationalist Idols," *Harvard Business Review*, April 1933; G. N. Peek, *Why Quit Our Own?* (New York, 1936); C. A. Beard, *The Open Door at Home* (New York, 1934); Jerome Frank, *Sage America First* (New York, 1938).

invention. If, therefore, foreign markets for industrial goods are destined to diminish, a wise national policy is one which will encourage industry and agriculture to concentrate upon a protected home market. If this is done, dependence upon an uncertain, and probably diminishing, foreign trade will be replaced by a relatively constant home market and production can be adjusted in order to meet this stable demand. It is further argued that a balanced economy in each country will tend to protect the interests of all classes against excessive fluctuations in the business cycle. In other words, the heyday of expansion being over, industry should forswear the lure of high profits derived from a precariously specialized production for an uncertain world market, and content itself with the moderate profits which come from a smaller but relatively stable home market.

According to its advocates, such a view does not imply the complete disappearance of foreign trade. It means, merely, that the old trade in which a few industrial centers supplied the world with goods, taking in exchange raw materials and food, will be replaced with a system in which a program of national self-sufficiency will be supplemented wherever necessary by imported goods. It is generally admitted that foreign trade in certain raw materials and foodstuffs, particularly those which cannot be produced or synthetically manufactured at home, will continue indefinitely. This is especially true, of course, for certain basic mineral raw materials, deposits of which are found only in a few restricted areas. It is admitted also that international trade in luxury articles and in many handicraft articles requiring special skills will continue despite any program of self-sufficiency. It is contended, however, that a foreign trade consisting largely of such articles will be highly elastic and will free the trading nation from the dangers inherent in a condition of dependence on foreign trade for basic industrial and food imports.

These advocates of national self-sufficiency believe that their policy rests upon a series of advantages other than those which are directly related to the immediate economic welfare of the nation. They hold that their program will provide a large measure of "cultural defense." Dependence upon foreign imports brings about a gradual acceptance of foreign cultural tastes and standards, and the strong nationalist sees in this process a weakening of national vitality, a growing indifference to the national cultural heritage, and a loss of national pride which may jeopardize the future of the state. The nationalist insists, too, that economic self-sufficiency will strengthen military protection. The state can rely upon its own industries for the production of materials necessary in wartime. In this way the state can have assured such a supply of goods as it could never have if it were dependent upon imports which might be easily cut off during a period of hostilities.

Although the trend in the direction of national self-sufficiency has been powerfully stimulated everywhere by the recurrence of international political tension and the widespread fear of war, it has been carried out to a greater degree in Germany and Italy—the states that are among those least fitted for it from a natural standpoint—than anywhere else. Hampered by a lack of foreign exchange and beset by a desire to improve their respective positions through the instrumentality of power politics, these two totalitarian states have sought to strengthen themselves by the conscious adoption of a policy of autarchy. By so doing, they seek to strengthen national morale because they give the citizenry the goal, painted for them in glowing colors, of eventual economic independence. Actually, from an economic standpoint, the immediate advantage of such a policy is that it enables the government to restrict and control consumption in such a manner as to free available exchange for the importation of those things which are supremely essential for an immediate national program—in the present instance, gigantic rearmament.

Such a policy is pursued in several ways. First, domestic resources are exploited to the utmost, virtually irrespective of cost. Cereal grain production is increased, partly by patriotic stimulus, e.g., the Italian "Battle of the Grain," and partly by direct government orders to producers. Low-grade ores are worked by companies whose funds are derived directly from the national treasury, e.g., the Hermann Goering Reich Ore Mining and Smelting Company, which has been set up as a part of the German four-year plan of self-sufficiency. Second, the government encourages the development of substitute materials. Aluminum replaces copper, oil is extracted from coal and shale, rubber is produced artificially in a laboratory, cloth is made from wood and milk, and cheap vegetable and animal fats replace the use of butter. Finally, the success of this scheme is guaranteed by the full measure of consumer control available in a totalitarian state. Accordingly, bakers are forced to adulterate bread by fixed percentages of cheaper substitute flours. Textile mills are required to use certain percentages of synthetic fibers in their cloth. Grocers are required to ration food supplies. Builders are required to use concrete and plastics in place of metals. Since, under such conditions, comparative costs are no longer important, these states have brought partial success to their program of import reduction. Table XXVII on page 386 indicates the results for Germany.

This Nazi drive toward autarchy has been accompanied and assisted by economic penetration into all the states of central and eastern Europe. Through currency manipulation, barter, and export subsidies, the Nazis have sought to create a great economic empire within which self-sufficiency can be practiced because there will be *Lebensraum* for all. This has brought

TABLE XXVII
PERCENTAGE OF VALUE OF TOTAL GERMAN SUPPLIES OF GOODS ¹⁷

Years	Industry and Handicraft	Agriculture	Imports	All Sources
1928	56.3	20.3	23.4	100
1932	46.7	30.7	22.6	100
1937	62.7	21.6	15.7	100

about a distinct canalization of trade. In the first half-year of 1938, Germany's share of the trade of certain countries was as follows:

TABLE XXVIII
GERMANY'S TRADE WITH CENTRAL AND EASTERN EUROPE, 1938 ¹⁸

	EXPORTS %	IMPORTS %
Poland	21.5	21.7
Hungary	42.9	41.0
Rumania	25.7	37.2
Yugoslavia	35.3	48.0
Bulgaria	40.4	51.2
Turkey	37.1	43.4

This trend toward autarchy has encountered much opposition. Many economists question the validity of the basic arguments upon which the new credo rests. They argue, for example, that it is premature, to say the least, to believe that technological advance has destroyed the old comparative cost differences upon which international trade has rested in the past. As one recent observer has put the matter:

The mere spread of technical knowledge in itself proves nothing with respect to the advantages of specialisation. It may lead to a movement of certain industries from one country to another, while at the same time making the development of other industries in the newer areas unprofitable. It may cause no change in the location of industry. Or it may bring about a wide diffusion of some types of production. Correspondingly, cost differences may be increased, altered little or not at all, or largely eliminated. Any a priori generalisation as to what will always happen is unwarranted.¹⁹

The truth of this warning against hasty conclusions seems obvious. Although the industrial plant of the world is certain to be far more decen-

¹⁷ League of Nations, *World Economic Survey, 1937-38* (Geneva, 1938), p. 181.

¹⁸ W. Funk, "Deutschlands aussenwirtschaftlicher Weg," *Der Vierjahresplan*, January 1939.

¹⁹ P. T. Ellsworth, *International Economics* (New York, 1938), p. 517.

tralized in the future than in the past, this by no means justifies a case against world trade. In an earlier chapter, the tremendous inequalities in the distribution of raw materials throughout the world were briefly indicated. Though these can be, and are being, offset to some extent by programs of rigorous self-sufficiency, the articles thus produced are in nearly all cases high-cost commodities. When a consumer purchases a loaf of bread, a suit of clothes, or an automobile tire that costs him several times as much as the same article in a free-market country, he is paying the price of economic self-sufficiency. It may be, of course, that the consumer will not realize this fact because the costs may be concealed in one way or another. But, whatever the particular situation, a program of self-sufficiency in a country in which there is a dearth of raw materials is sure to lower the general standard of living. It is interesting to note that, in 1937, the revenue of the German government, excluding public borrowing and contributions to public and party organizations, amounted to 28.6 per cent of the national income. It has been reliably estimated that since 1929 the German standard of living has declined by 20 per cent.²⁰

To state the matter in another form, most countries can achieve even a measure of national self-sufficiency only through a drastic reduction in the national standard of living. Certain countries which are well endowed with the natural advantages of production, particularly the United States, the Soviet Union, and the British Empire, conceivably could attain a great measure of self-sufficiency, but in all cases they could do so only through a drastic and thoroughgoing reorientation of their existing economic life. To the average observer, such a world would be little short of fantastic, for it would be a world in which great masses of consumers were forced to accept substitute goods at an abnormally high price and often of an inferior quality, while the producers of many of the world's primary commodities—cotton, rubber, wool, cereal grains, and so on—would be compelled either to abandon the production of these things or to limit the production to a small national market. Such a prospect does violence, not only to the accepted laws of economics, but to the common sense of mankind.

Finally, it is argued that, far from ensuring stability and political appeasement through the elimination of territorial ambitions, policies of self-sufficiency, if widely supplied, would lead to increased international tension and conflict. This conclusion is based on the belief that for most countries a program of autarchy, no matter how skilfully it is planned or how rigorously it is carried out, cannot meet the long-time needs of the consuming public. As the strain becomes greater, as the costs increase, and as consumer discontent becomes more vocal, the harassed régime will have

²⁰ E. Lederer, "Who Pays for German Rearmament?" *Social Research*, February 1938.

no choice but to abandon the experiment or seek greater self-sufficiency through further territorial aggrandizement. If this analysis is correct, then for the "Have-Not" countries autarchy points toward conflict. Secretary Hull has recently characterized this situation in the following words:

As experience accumulates, it becomes increasingly clear that trade methods of this type steadily exhaust the countries which practice them and arouse even more resistance and retaliation on the part of other countries. . . . They are in a full sense the instruments of destructive economic warfare, adopted by nations in the mistaken belief that they are capable of enhancing national security and strength.

Autarchy and other forms of economic armament create but an illusion of strength and security. They uproot far more than they build. They discourage rather than generate enterprise. By placing impassable barriers to the world flow of material and financial resources, by tending to split up the world into abnormally limited areas of trade relations, they undermine confidence and stability. They make all nations progressively weaker.²¹

INTERNATIONAL COÖPERATION AS A METHOD OF ESCAPE

As the depression deepened and as states turned avowedly or unconsciously toward a policy of greater national self-sufficiency, many persons realized that the policies adopted individually by each state would tend to defeat the protective value of those adopted by all the others. Naturally, therefore, these observations led to the growing conviction that the depression might yield to international treatment. Perhaps a coöperative attack might bring the victory that had so stubbornly eluded uncoördinated national efforts. The first movement in this direction came in the summer of 1932 when the Lausanne Reparations Conference paused after it had pronounced the final funeral rites over reparations and invited the League of Nations to convoke an international conference on monetary and economic questions.

Such was the genesis of the World Economic Conference which met at London in June 1933. After the elaboration of a draft agenda by a committee of experts including representatives from the United States, President Roosevelt, whose warm interest in the Conference seemed to presage a new era of American coöperation, conducted preliminary exploratory conversations with representatives of all the Great Powers. The net effect of these conversations was to reiterate to world opinion the need of stabilizing national currencies as a necessary condition precedent to world

²¹ Address to the National Foreign Trade Convention, *The New York Times*, 2 November 1938. See also Sir Arthur Salter, *World Trade and Its Future* (Philadelphia, 1936); and E. Staley, *World Economy in Transition* (New York, 1939).

economic recovery. It was on this note that the Conference assembled and eventually drafted a comparatively mild "gold" proposal. This proposal declared that it was to the interest of all to restore gold as the international medium of exchange, but that the "reestablishment of gold as a measure of international exchange value should be accomplished with recognition that the time at which each of the countries off gold could undertake stabilization and the time at which parity is established must be determined by the respective governments."

When this proposal was submitted to President Roosevelt, it was anticipated that he would approve it as a matter of course, since it was so completely in line with all his earlier public declarations on the subject. But the President had changed his mind, though he had most unfortunately failed to divulge this change even to his own delegation to the Conference. It appears that he had been converted to the belief that a premature stabilization might jeopardize the success of his announced program of assisting the return of prosperity through a rise in the American commodity price level. Accordingly, he rejected the Conference action in a message which has been aptly termed "a petulant and confused tirade."²²

Such a bewildering *volte-face* reduced to futility the original draft agenda, based as it was upon a return to gold as a primary objective. Although the Conference struggled on for three weeks more, it was doomed to failure from the beginning. On 27 July 1933 it ended with virtually no concrete accomplishments of any kind. Even in the face of adversity, the nations had found it impossible to make a coöperative attack upon a common problem.

Almost equally unsuccessful have been various regional attempts to find a solution. At the Ottawa Imperial Conference of 1932, Great Britain abandoned her long struggle against the forty-year old demand of the Dominions for a preferential tariff. Now that a general British tariff had been established and now that Dominion pressure was redoubled because of the Smoot-Hawley tariff, the British agreed to try a system of Dominion preferences for the following five years. There was much dissatisfaction, however, with the results of the agreement, and, in 1937, agreements for the continuation of certain preferences were made separately with each Dominion. Although space does not permit a detailed analysis of the provisions of the Ottawa system, suffice it to say that it caused Great Britain real international concern when she subsequently attempted to establish a system of trade agreements. In order to preserve Empire preferences, it became necessary to qualify the "most-favored-nation" clause so that it did

²² For one analysis of the President's policy, see R. Moley, *After Seven Years* (New York, 1939), pp. 267 ff.

not apply to Empire trade.²³ Throughout the Empire, and particularly in England, most experts agreed that the Ottawa system, by seeking to mold the Empire into an economic unit, was neither practicable nor desirable as anything more than an emergency measure. Internationally speaking, its great shortcoming lay in the fact that it did not increase the flow of trade, but merely diverted a portion of the existing trade into new and artificial channels.

The same criticism may be applied to other regional agreements which were concluded at this time. In the case of the tripartite Rome protocols signed in May 1934 by Italy, Austria, and Hungary, the agreements dealt with the relaxation of customs formalities and quota increases in an effort to create new trade channels which would strengthen developing political ties.²⁴ Similarly, the failure of the Little Entente states to strengthen their own solidarity by increasing trade among themselves can be explained by the fact that their economic systems were not sufficiently complementary to make such a policy feasible. Somewhat more successful have been the efforts of the so-called "Oslo" powers (Belgium, Luxembourg, The Netherlands, Denmark, Norway, Sweden, and Finland) to abolish quotas and to stabilize tariffs in their trade with each other. These countries inaugurated special trade relations with each other in the Protocol of Oslo, 22 December 1930. This was renewed and expanded in scope by an agreement signed at The Hague, 28 May 1937.

Although in recent years there have been many suggestions looking toward the convocation of another international economic conference for the purpose of effecting currency stabilization and trade barrier reductions, official responses have generally been most discouraging. With much justification governments feel that there is no reason to believe that another conference would be any more successful than the London fiasco of 1933. At the same time, they have not resigned themselves to a mood of utter futility, but have continued to cast about cautiously for some means whereby agreement might be reached upon some common program of economic appeasement. One tentative venture in this direction occurred in April 1937 when Paul Van Zeeland, former Premier of Belgium, was commissioned by the governments of France and Great Britain to examine and report on the possibility of reducing existing obstacles to international trade. The Van Zeeland report, which was published in January 1938 summarized the difficulties and obstructions in a skillful and cogent fashion. Like everyone else, however, M. Van Zeeland was unable to offer many concrete proposals

²³ For a convenient summary of the provisions of the Ottawa Agreements, see "The Ottawa Conference," *Foreign Policy Reports*, Vol. VIII, No. 21 (1932).

²⁴ Although the Rome protocols did increase the apparent value of the trade among the three countries, it appears that the quantum of trade actually declined. League of Nations, *World Economic Survey, 1935-36* (Geneva, 1936), p. 55.

of a detailed nature. Specifically, he recommended that nations should agree to refrain from any further increases in tariffs or in the number of quota restrictions and urged the wider conclusion of special trading agreements. It was his opinion that currency stabilization must wait until general economic conditions had been improved and that, in the meantime, the working currency agreement between Great Britain, France, and the United States might be widened to include other powers. Although the report was well received in the democratic states, it met with a distinctly cool reception in the totalitarian states with whose policies the document took sharp issue.

More successful as a stimulus to international trade has been the device of the bilateral trading agreement. Although these agreements have taken a variety of forms, they have all had the same purpose: namely, to increase the flow of trade between pairs of negotiating countries. Some of the agreements have provided merely for the reduction or elimination of irksome customs regulations; other have enlarged or abolished quotas on specified categories of goods; still other have provided for a reciprocal reduction of customs duties on a selected list of commodities. During the last few years scores of these agreements have been negotiated.

A reciprocal trade agreement program has figured prominently in the Roosevelt Administration's efforts to assist the revival of American foreign trade. Since securing from Congress in 1934 the authority to negotiate agreements involving a reduction up to a maximum of 50 per cent of the prevailing American duties, the United States has concluded such agreements with the following countries: Belgium, Brazil, Canada, Colombia, Costa Rica, Cuba, Czechoslovakia (now terminated), El Salvador, Ecuador, Finland, France, Guatemala, Haiti, Honduras, the Netherlands, Nicaragua (duty concessions now terminated), Sweden, Switzerland, Turkey, and the United Kingdom. Noteworthy in all these agreements is the inclusion of the "most-favored-nation" clause in its unconditional form. This has stimulated general trade revival, although the close and detailed specification of the articles on which duty reduction is to be granted has seriously limited the ability of other trading nations to profit from the clause. Despite the clause the American duty reduction on Canadian whiskey is of little or no value to countries like France or Cuba.²⁵

To anyone familiar with the hit-and-miss character of American tariff making in the past, this new development is a welcome thing for it represents an attempt to formulate duty schedules on a scientific basis carefully worked out by committees of experts. It aims to adjust certain tariff rates in such a way as to benefit the American consumer and the American exporter without doing any injury to efficient American industries. Before

²⁵ On this see F. B. Sayre, "The Most-Favored-Nation Policy in Relation to Trade Agreements," *American Political Science Review*, June 1939.

COUNTRIES WITH WHICH TRADE AGREEMENTS OR WITH WHICH NEGOTIATIONS ARE IN AS OF NOVEMBER

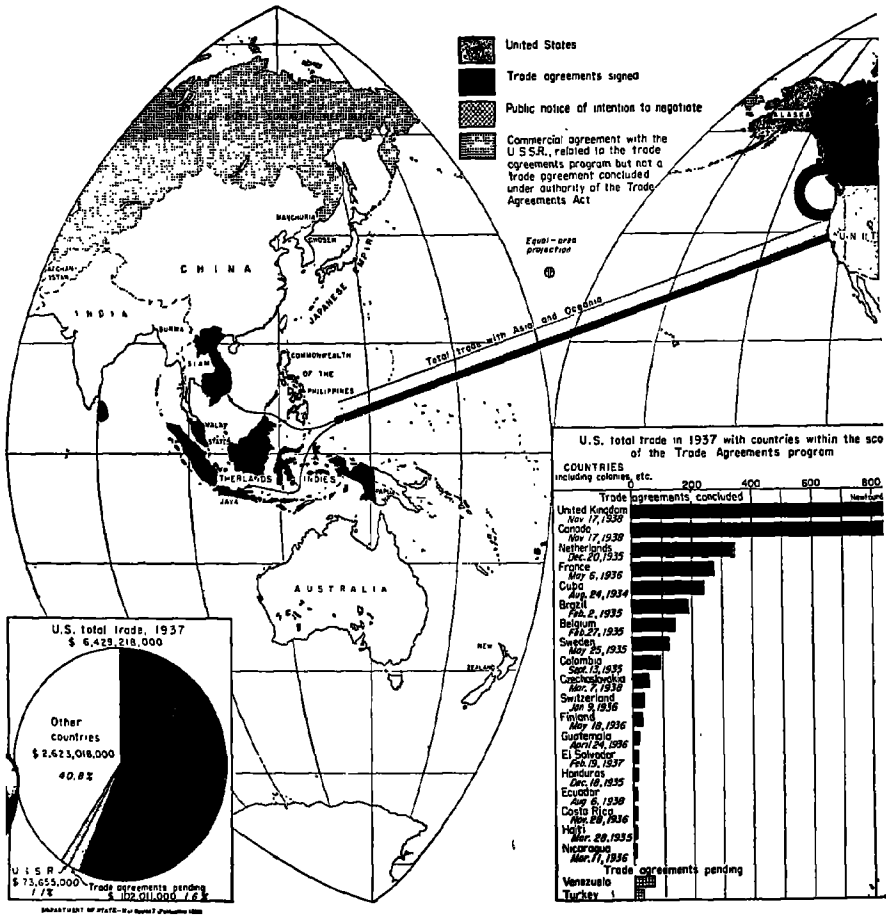
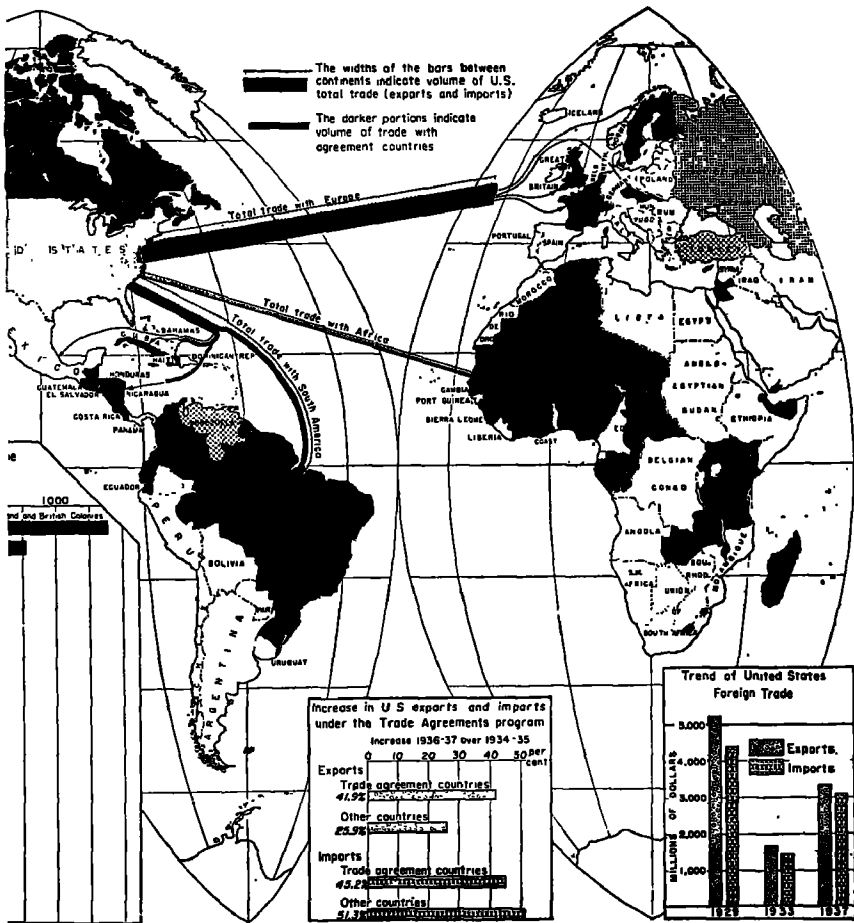


FIG. 23.—THE TRADE
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AGREEMENTS HAVE BEEN CONCLUDED, PROGRESS OR CONTEMPLATED 18, 1938



AGREEMENTS PROGRAM.
 the U. S. Department of State.

any new trade agreements are concluded, those American industries which fear injury as a result of the proposed agreement are given ample opportunity to present their views before the governmental experts. It is significant that the bulk of criticism directed against the Hull method has come from vested interests the well-being of which is frequently far from identical with the general welfare of the American people as a whole.

The negotiation of this world-wide nexus of reciprocal trade agreements has been too recent to permit any definitive estimate of the results so far obtained. Even so, certain results and trends may be noted. In the case of the United States the flow of trade with agreement countries has increased much more rapidly than with nonagreement countries, a conclusion which is graphically shown by the accompanying chart. Specifically, if the years 1937-1938 be compared with 1934-1935, American exports to trade agreement countries increased by about 66 per cent while exports to nonagreement countries increased only by 47 per cent. Since a large portion of American imports are derived from nonagreement countries, the effect of the agreements upon our import trade has not been so pronounced. At the present time the American trade agreements embrace about three-fifths of our foreign trade. The total trade of the agreement countries and of the foreign trade and of the United States with all countries constitute three-fifths of the entire foreign trade of the world.

Generally speaking, trade agreements tend to increase bilateral trade and to decrease multilateral trade. To the extent that this is true, a great network of bilateral agreements can never become a wholly satisfactory substitute for the old order. Also, these agreements tend to complicate the problems of exporter and importer because of the complexity of the system thus created. At the same time, they tend to relieve the present situation by introducing elements of stability because they fix rates for a definite time and even where no concessions are granted the exporter may benefit by "binding" i.e., agreements not to change the duty status on certain schedules. All in all, it cannot be denied that the Hull trade program is both realistic and idealistic. Its realism comes from the fact that it is based upon the world as it is, while its idealism is a frank recognition that the world will benefit from any measures which tend to break down barriers and increase the mutually beneficial flow of trade among countries. Clearly, it is the most praiseworthy trade policy now being pursued by any great power. In this bewildering new world of trade restrictions, one must be grateful for small favors.²⁶

In the absence of effective international action, states have each groped

²⁶ On the American policy, see W. S. Culbertson, *Reciprocity* (New York, 1937); and H. J. Tasca, *The Reciprocal Trade Policy of the United States: A Study in Trade Philosophy* (Philadelphia, 1938).

blindly for a way out of the morass of the depression. Harassed by currency instability, by new and complicated types of trade barriers, by conflicting ideologies, and by a massive debt burden which has grown by leaps and bounds under the pressure of rearmament, the forces of recovery have been so hampered that the results so far achieved are due more to the inherent toughness of the world's economic fiber than to schemes of national statesmen. Since a return to the simpler mechanisms of prewar or even predepression times is anticipated only by those who confuse a lingering nostalgia with their thought processes, the central and unsolved problem of the present remains formidable in its dimensions. Somehow or other, the new and involved political controls over economic processes must be so reorientated that, in place of restricting the flow of trade and retarding a wholesome resumption of international coöperation, they will aid these objectives. It may be that the termination of the second world war will provide an opportunity for a fresh start. If so, it seems abundantly clear that postwar recovery will depend, at least in part, upon the ability of peace-makers to clear away the major obstructions to a freer flow of goods in international trade.

IV

INSTRUMENTS OF CONFLICT

XVII

WAR IN MODERN SOCIETY

WE LIVE in a world of independent states. Although some phases of the relations between these states have been regularized by custom and contractual agreement, the general situation can still be characterized by the term "international anarchy." Despite all custom and despite all treaty obligations, a state may determine upon and follow any policy which it wishes without the approval of any superior political authority. Its ability to deal with its previous obligations in this cavalier fashion is determined by its apparent capacity or willingness to resist the imposition of retaliatory measures by those states which will be injured by the policy in question. Generally speaking, most states adhere to accepted practices and to their treaty obligations because a sense of high self-interest prompts them to do so, but when self-interest seems to point the other way, then the state becomes the supreme master of its destiny. If it is strong enough it may do as it pleases with complete impunity. This is the meaning of "international anarchy."

In such a system, if it can be called a system, all the odds are in favor of those states which possess the greatest power. It follows, therefore, that the criteria which separate a "great power" from a "small power" are all based upon, or result from, the apparent ability and willingness of the state in question to mobilize impressive force in support of a policy upon which it has determined. Whatever its other aspects may be, the essential quality of this force is military. In an anarchic world of power politics, an ability to wage effective war is still the most potent of all the weapons possessed by any government. Unpalatable though it is to many, this is a stubborn and persistent fact which has resisted all the exorcism of modern civilization.

Although the institution of war forms the foundation of world politics, the citizens of most countries nowadays look upon war with profound aversion. To them war is a horrible thing, a remnant surviving from the dawn era of mankind, a shameful evidence of the "old savage" who lurks beneath the thin façade of civilization. This popular antipathy and fear have been powerfully stimulated by the realization that modern science has

equipped the old savage with such lethal weapons that, once loosed, he can now destroy life and property in such a prodigal fashion as to endanger the entire structure of civilization. Even if people do not recoil from the contemplation of shattered trade and bankrupted treasuries, of wasted minerals and ravaged cities, they are likely to flinch from the prospect of unseen death hurtling down upon them from the skies, of gas and incendiary bombs that spare neither age nor sex from the tortures which they release. It is little wonder, therefore, that peace is a popular slogan among the masses of people everywhere. Peace societies carry on a constant propaganda, financed and sponsored by the most distinguished citizens of the time; clergymen of every creed beg for peace as the greatest of divine blessings; a Wilson or a Chamberlain can hold the reins of power because "he has kept us out of war" or because his policies are designed to assure "peace for our time"; and throughout Christian lands the most sacred anniversary of the year is that which commemorates the birth of the "Prince of Peace."

But this is not the whole story. Even though people loathe and fear war they realize, perhaps dimly, that it has a subtle fascination which they find difficult to resist. In part, war has an emotional appeal, the stirring, spine-tingling appeal of masses of marching men, of flying flags and martial music. This is the age-old appeal of high heroism and soul cleansing sacrifice. A soldier is not John Brown, the shoe clerk, who leaves his family to gasp out his life under a gas attack and find a nameless grave in the muck of a desolate field. In the eyes of the public he is a helmeted young knight who has gone forth with shining lance to defend his fatherland. This is merely another way of saying that the war system is deeply rooted in the fabric of modern society, that military heroism has been exalted in song and story and so commemorated in the graven stone of countless monuments and memorials that the average citizen, conditioned through nationalism, is susceptible to the lure of war. He may denounce war as a menace to civilization, and he may shout with unfeigned enthusiasm when a threatened war has been averted, but he will respond nonetheless to the emotional stimulus of flags and military music.¹

It is not enough to dismiss this by saying that war appeals to the emotions while the blessings of peace appeal to the intellect. The fact

¹ See the following testimony of a famous journalist:

"My effort to understand war is little more than twenty years old. It began consciously on March 4, 1916, when, six days after the first German onslaught upon the fortress of Verdun, I stood on a spur above the battlefield and watched an artillery duel. My impression was less one of horror (though I saw a French battery, men and guns, blown to pieces by indirect fire from invisible German howitzers) than of exasperation that the resources of modern science should thus be put to murderous uses; and I found myself wondering why this should be and how it could be stopped. At the same time I was aware of something I had not before

remains that without war no state would be where it is today. Where is there an independent state, large or small, which does not owe its origin and its continued existence directly or indirectly to success upon the battlefield? The average citizen is aware of this; he has had it dinned into his ears throughout the study of his country's history. Consequently, however much he may denounce war, he cannot escape from the fact that he is denouncing the agency by which his nation has been established and perhaps preserved. In face of this it is scant help to take refuge in the argument that the wars have been imposed by enemy aggression and that his state has fought only in self-defense. To add to the discomfort of the patriotic citizen who hates the institution of war, there is the further fact that the power of a state in world affairs is directly related to its reputed ability and apparent willingness to use military force in support of its policies. It is not strange, therefore, that such a citizen should view the institution of war with mixed feelings. He is sensible of the value of war to the past of his country; he believes that his country must be ready to defend itself upon the field of battle at the present time; and yet he shrinks with dread from the waste, death, and destruction which would accompany a future war. Consequently, he speaks wistfully of the benefits of peace the while he takes refuge in what he believes to be the time-tried policy *si vis pacem para bellum*.

THE CHANGING CHARACTER OF WAR

Generally speaking, war must be thought of as a means, not as an end in itself. It is true that primitive peoples sometimes fight for what seems to be the sheer love of fighting, wholly apart from the prospects of women or loot, but upon closer analysis it appears that such warriors usually fight less for the love of fighting than for the prestige, customarily expressed in some conventional form of victor's trophy, gained by triumph over their antagonists. Certainly, war for war's sake has little part in the affairs of the so-called civilized world. Modern warfare is not the gratification of savage lust. It is a technique, a means used by one politically organized group to impose its will upon another. As Marshal Foch said in answer to those who wished to humiliate the Germans in 1918 by a

experienced—a sense of being magnetised, almost exhilarated by influence that caused me to forget cold, fatigue and hunger, and induced a feeling of unusual physical and moral strength. The whole region seemed to vibrate with magnetism; and I began to realise that, dreadful and horrible though war might be, the atmosphere of it could and did give men power to endure and to do things of which they would have felt incapable in the surroundings of their ordinary lives.”—H. W. STEED, *Vital Peace* (London, 1936), p. 13. Reprinted by permission of The Macmillan Company, publishers.

punitive military conquest of German soil, "The object of war is to impose your will on your adversary. When this has been done, no further sacrifice can be justified."

Throughout recent times, and some which are not so recent, men have sought to regularize the methods and to fix the conditions under which this particular imposition of a group will might take place. For one thing, they have attempted to control the use of the instrumentality of war through agreement upon the circumstances under which it would be legitimate to resort to war. Throughout the Middle Ages the church made strenuous efforts to secure agreement concerning such standards. The Truce of God is a familiar illustration of this effort. Less well-known, perhaps, was the attempt of the church fathers to popularize the theory that there was a proper and legitimate distinction between just and unjust wars. Saint Augustine and Saint Thomas Aquinas both argued that war was justifiable if used as an instrument of justice. In other words, it was proper to resort to war in order to uphold a standard of justice as established by natural and divine law. Such a war must be declared by the proper authority and on the basis of a just cause.² By the sixteenth century this attempt had broken down, for it was then argued that since one disputant might be in ignorance concerning the true facts of the situation, it was conceivable that both antagonists might be waging a just war. It was Machiavelli who cut through this sophistry by his trenchant conclusion that, since the prime reason of a state was necessity, any necessary war was a just war.

With the emergence of modern states and the new emphasis upon the doctrine of sovereignty, the attempt to distinguish between a just, and hence permissible, war and an unjust war soon disappeared. Grotius and his followers did make an effort to tie this distinction into their system of international law by declaring that a just war was one which was undertaken in defense of the law of nations, but this argument had few, if any, practical consequences. In truth, a distinction between legal and illegal wars could be made compatible with the doctrine of sovereignty only if there were a well-developed system of customary international law, a system so strong that, whatever his right might be, a sovereign prince would not adopt a policy which would run counter to it. Since this did not exist, war was regarded as one of the indispensable prerogatives of sovereignty, a weapon to be used whenever the high interests of state seemed to counsel it.

In this connection it should be pointed out that the outbreak of the World War had crystallized a new spirit which had been developing in the world. The old attitude of the nineteenth century had been one of

² See W. B. Ballis, *The Legal Position of War: Changes in Its Practice and Theory from Plato to Vattel* (The Hague, 1937), pp. 164 ff.

relative indifference. Since any state was legally free to resort to war when it wished, no particular stigma could be attached to the party to a quarrel which first decided to settle it by *force majeure*. Nonparticipating states drew a circle about the antagonists, protected themselves by the invocation of their special rights as neutrals, and rigorously refrained from taking any side in the dispute. The appropriate conduct for a neutral state was that neutrality "in fact as well as in name" which President Wilson urged upon the American people in 1914. But the World War put an end to this. The magnitude of the impending struggle was such that all statesmen in the belligerent countries realized the value to be gained if the responsibility for the breakdown of diplomacy and the resort to arms could be placed uniquely on the other side. This explains the rush for the printing presses and the stream of "colored" books which appeared in the early weeks of the War. The Allies were particularly successful in their attempt to place the burden of responsibility upon the Central Powers and by the end of the War millions of people looked upon the Kaiser and his coterie of advisers as criminals. In other words, the War experience had created an almost world-wide opinion that the initiation of a war was not simply a matter of policy to be determined by statesmen, but an international crime in which all peoples, whether they were directly affected or not, had a legitimate and proper interest. Temporarily, at least, the world was ready to approve of a drastic change in the legal status of war.

So strong was this feeling that the partial restriction upon the legal right to make war contained in the Covenant of the League of Nations did not satisfy many sincere and public-spirited people.³ They argued that since the outbreak of a major war anywhere affected all countries, states must in self-interest agree to a complete change in the legal status of war, to the end that aggressive war must be outlawed completely. The concomitant technical problems, and the implications of this view for international political organization, were all too frequently overlooked, and it was widely assumed that the official outlawry of aggressive war would tend greatly to reduce its incidence.

It was in this spirit that the Briand-Kellogg Pact was negotiated. Although the technical problems which it raised will be discussed in another connection, it must be noted here that the Pact did attempt in a way to complete the Covenant system by securing the pledge of all signatories to refrain in the future from using war as an instrument of national policy. Secretary Stimson thus characterized it: "This means that it [war] has become illegal throughout practically the entire world. It is no longer to be the principle around which the duties, the conduct and the rights of nations revolve. It is an illegal thing. Hereafter when two nations engage

³ See chap. XXI, *infra*.

in armed conflict either one or both of them must be wrong doers—violators of this general treaty-law. We no longer draw a circle about them and treat them with the punctilios of the duelist's code. Instead, we denounce them as lawbreakers.”⁴

In the light of subsequent events it is idle, of course, to insist upon the premature optimism which was contained in such a view. At the same time, it is undeniable that this change in the legal position of aggressive war does reflect a fundamental change in the attitude of a large part of the civilized world toward the institution of war. Today, war is viewed with intense popular concern. As President Roosevelt remarked in his peace-effort message to the King of Italy, 23 August 1939, “any general war would cause to suffer all nations, whether victors or vanquished, and would clearly bring devastation to the peoples and perhaps to the governments of some nations most directly concerned.” Although this new popular attitude was not pronounced enough to prevent the outbreak of war in September 1939, it was noteworthy that popular attitudes in all belligerent states were so lacking in enthusiasm for war that all governments involved made immediate and strenuous efforts to place full responsibility for the outbreak on the other side. Even greater, as an indication of this developing popular sentiment was the world-wide storm of indignation which followed the unprovoked attack, November 1939, of the Soviet Union upon the Republic of Finland. It may be that, in time, the continued growth of this popular concern will provide a powerful reënforcement for the observance of the new legal position of war.

CHANGES IN WARFARE

This marked change in popular attitudes toward aggressive war cannot be explained solely on the grounds of the success gained by Allied propaganda during the World War. This was undoubtedly one factor but it was less important than several others, chief of which has been the general realization that the technical character of warfare has changed, and that this change has profoundly affected the relationship of the average citizen to a state of war. Until comparatively recent times, the ordinary citizen was not necessarily disturbed to any great extent by the fact that his country was at war. He was affected, of course, if he happened to live in a city that was besieged, or if his home and property were in the path of a marching army that depended upon the countryside for its food. Barring such circumstances, it was possible for a citizen to live through a war

⁴ Speech before the Council on Foreign Relations, 8 August 1932. On the Briand-Kellogg Pact, see chap. XXIV, *infra*.

with no more serious inconveniences than higher taxes, requisitions, and a possible shortage of foodstuffs.

Compulsory military service was relatively rare. Wars were fought in the feudal period by small bands of professional warriors, bands which were poorly organized and which seldom held together for any great length of time. Even the standing armies of the eighteenth century, with their officers' rolls filled almost exclusively from the nobility, were for the most part mercenary and professional in character. Broadly speaking, it can be said that the principle of mass armies and compulsory service for all appeared with the French Revolution. In France, the *levée en masse* was first decreed in 1793 and it was adopted in Prussia in 1814. As far as France was concerned, the principle of compulsory participation was only temporarily popular and it was speedily qualified by an arrangement whereby men of means could hire substitutes to take their places in the army. Even the principle of universal obligation was abolished in 1818 by the Restoration government. Except for Prussia most states in the nineteenth century continued to rely upon professional armies recruited on a voluntary basis, though now officered by men chosen for ability rather than family lineage. Where conscription was resorted to, the custom of hiring substitutes was generally permitted. This was done, for example, in the American Civil War, and no social stigma was attached to men who discharged their military obligation in this vicarious manner.

But the margin of choice left to the individual citizen was beginning to narrow. The defeat of the French "professional" army at the hands of the Prussian "mass" army in 1871 ushered in a period of universal military training and full conscription in the case of need.⁵ Some states, such as Great Britain, continued to oppose conscription, but these were in a distinct minority and even Great Britain adopted conscription both in the World War and in the War of 1939. Fortified by the new spirit of intense nationalism, people generally agreed that the state had the full and unquestioned right to force every able-bodied citizen into any necessary amount of military service. By the time of the World War this transformation was complete. Armies were raised everywhere on the conscript principle. The luckless citizen who would have attempted to evade military service by proffering the services of a hired substitute would have been regarded as a consummate traitor. The concept of the nation-at-arms, with its accompanying loss of all discretionary rights for the individual citizen, signaled the advent of a new system and a new technique of warfare.

It is obvious, of course, that the new spirit of nationalism provided the ideological background for this development, just as the example of Prussian military might provided the technical incentive. Fully as important,

⁵ Alfred Vagts, *A History of Militarism* (New York, 1937), pp. 441 ff.

however, was the contribution of nineteenth-century industrial and scientific development. Prior to the industrial age, the size of armies had been limited by specific technical factors. Few people realize the extent to which great mass armies have been made possible by the development of rapid transportation and of means for food concentration and preservation. Modern canning and refrigeration of perishable foods make it possible to feed great masses of men and to move them about more rapidly than in the days when armies depended upon heavy bulk foods, supplemented by chance contributions from the countryside through which the army was passing. Also, this change has made it possible to keep men in better health than in earlier times. Napoleon's great losses in the disastrous Russian campaign were brought about rather more from disease produced by food deficiencies than by losses inflicted by Russian troops. In less than one month in the summer of 1812, Saint-Cyr lost 13,500 men out of an original strength of 25,000 without ever sighting a Russian force. "Of the French losses from Moscow to the Beresina, eleven-twelfths were due to bad clothing and feeding, and one-twelfth only to the enemy's fire."⁶

Thus it may be seen that the first effect of the influence of modern science upon warfare has been to make it possible to collect gigantic masses of men in limited areas and to keep them fed and in a reasonably good state of health. For the first time the results were evident in the four long years of the World War. In that struggle more than sixty-five million men were mobilized on all the fronts of combat. No such mass mobilization had ever occurred in the history of the world. Napoleon had managed to raise an army of some 2.5 million Frenchmen in the years from 1804 to 1813, but France sent 8.4 million men into the World War. Even the United States raised an army in 1917 which was larger than the total forces mobilized in all the preceding wars in which this country has been engaged, a statement which is still true if all the Confederate troops mobilized in the Civil War are included in the total.

This tendency toward armies of stupendous size has not decreased in the tension-ridden years since the end of the World War. Although official secrecy makes it impossible to secure accurate figures for many countries, reliable statistics indicate that the combined army and air force personnel of all states, including actives and trained reserves, reaches a grand total of sixty to sixty-five million men. The extent to which military power has been concentrated in a few great states can be indicated by the fact that five powers—France, Germany, the Soviet Union, Italy, and Japan—account for more than forty-two million men, two-thirds of the world total.⁷

The second effect of modern science upon the technique of warfare is

⁶ *Ibid.*, p. 134.

⁷ *World Almanac* (1939 ed.). Figures corrected to November 1938.

so well known and so widely discussed that no extended comment is necessary. In a few short years, methods of fighting have been almost entirely revolutionized by new weapons placed in the hands of fighting men. The size and range of guns have been so increased that it is possible for heavy guns to hurl for many miles projectiles weighing thousands of pounds. Even in the World War the famous German "Big Bertha" was able to bombard the city of Paris from a distance of over seventy miles. In modern naval warfare a sixteen-inch gun fires a projectile weighing more than a ton for a distance of many miles. Machine guns have greatly increased the rapidity with which a single gunner may spray a stream of bullets in any direction.

Even more important has been the recent development of explosive projectiles. Although gunpowder was introduced in Europe in the fourteenth century, improvements in the type of projectiles came very slowly. Solid cannon balls, first of stone and later of metal, were used almost exclusively until the nineteenth century, when they were supplemented gradually by projectiles which would explode and scatter a quantity of small shot and shell fragments. Subsequently, with the development of higher types of explosives, their range of destructiveness has been greatly expanded. Likewise, the number and variety of explosive missiles and projectiles have been greatly increased, hand grenades and bombs being the two most common types.

This catalogue of lethal weapons which modern science has devised for military use would not be complete unless mention is made of other developments, one hesitates to call them improvements, which have recently come into use. Flame throwers, poison gases, incendiary bombs, tanks, and other like devices have revolutionized the character of land warfare, while armored airplanes with their machine guns and cargoes of deadly bombs have carried war into a new and frightening dimension. In modern war, death rains down from the skies, it stains the land with systematic frightfulness, and it even lurks beneath the surface of the sea. No city is safe from its menace, and no citizen can be protected by his armies. It is a war of extermination, of unlimited destruction, made all the more terrifying because in many cases those who unleash the forces of death cannot even witness the results of their work.

The results of this changed technique, this scientific destruction, are so numerous and their ramifications so great that no extended discussion is here possible.⁸ It is evident that modern industrialized warfare has altered the position of a nonindustrialized state in face of a completely industrialized antagonist. The contrast between the Italo-Ethiopian struggle of 1896

⁸ For a general and provocative discussion, see Quincy Wright, *The Causes of War and the Conditions of Peace* (New York, 1935), chaps. 2, 3.

and the recent Italian conquest of Ethiopia provides a partial illustration of this point. Sheer man power is still important, but it is mass suicide to send a primitive army into the field to face waves of poison gas and machine guns which can shoot hundreds of bullets a minute. On the other hand, as the experience of 1939 seems to demonstrate, the possession of these weapons by each contending state has reduced warfare in such circumstances to a prolonged and exhausting process of attrition, for defensive equipment has been modernized quite as rapidly and effectively as have the weapons of offense. Thus, in a war between equally well-equipped forces, the deciding factors are likely to be raw material reserves, financial resources, and the effectiveness of propaganda at home and abroad. This is attested by the course of the World War and it appears that the same considerations apply to the new "World War" of 1939.

COSTS OF MODERN WARFARE

The combination of mass armies and these new weapons of destruction has greatly affected the possible loss of life incident to modern warfare. Although direct losses of life in the World War, i.e., those who were killed outright or who died from their wounds, reached the total of 8.5 millions, it has been estimated that the addition of indirect losses, including mortality caused by war-distributed disease, brings the total to the staggering figure of forty millions. To put the matter differently, if every person living west of the Mississippi River were to be killed, the loss of life would still be less than that which resulted from the struggle of 1914-18. More than half of the men who were mobilized for service in the World War suffered from casualties of some kind.

Although the cost of modern war in terms of the loss of life and human suffering is well-nigh appalling, this is not all; it is almost unbelievably expensive as well. Wars have always cost a great deal of money, but expenditures upon past wars seem insignificant when compared with those of recent times. The multiplication of fighting instruments has given the odds of success to the side which can afford to spend the most for guns, munitions, airplanes, poison gas, and all the mechanical and chemical equipment which can be produced or imported by a wealthy state. Reference has already been made to the financial costs of the World War to the belligerent states, but it seems appropriate at this juncture to discuss certain other aspects of the problem.⁹ Although figures of such magnitude are necessarily rough approximations at best, it is generally agreed that the total cost of the World War was about 337 billion dollars, of which

⁹ See chap. XIV, *supra*.

189 billions represented direct costs, the remainder representing losses through property destruction and disorganization of production. The United States alone spent 32 billion dollars during the war period, and the continuing costs have added approximately 19 billion dollars to that total. Such figures are so tremendous as to be almost meaningless to most people. They become more significant when they are expressed in graphic terms. Such an attempt was made recently by Mr. T. J. Watson, President of the International Chamber of Commerce. Speaking of the American costs alone, he said:

The human mind can scarcely realize the enormity of the social and economic waste represented by the part of this war cost borne by the United States alone. Fifty-one billions of dollars would pay the cost of running the public elementary and high schools and universities and colleges of the entire nation for seventeen years. It would build nearly 2 million miles of paved roads, which is about three times the mileage of all surfaced roads now in use in the United States. It would construct 12,750,000 six-room houses. It would construct sixteen hospitals costing a million dollars each, in every one of the 3073 counties of the United States. It would pay the unemployment insurance premiums on all employees of business and industry of the United States for more than 100 years at the New York State rate.

The 51 billions of dollars which the World War has cost us to date could do all the following:

Wire the 9,400,000 urban and rural homes of the United States which do not have electricity; pay all farm mortgages in the United States; install bathrooms with running water in the 80 per cent of our farm homes which do not have them; double the present endowment funds of all institutions of higher learning in the United States; build four consolidated rural high schools at \$250,000 each in every county of the United States; spend a million dollars in each county for airports and emergency landing fields; build ten bridges like the Triborough Bridge; build another canal across the Isthmus of Panama; establish a five-billion-dollar program for prevention of floods and soil erosion; set up an endowment fund which at 3 per cent interest would provide a pension of \$100 a month for every blind person and deaf-mute in the United States; finance the entire recovery and relief program of the United States from the time it was begun in 1932 to the end of the fiscal year 1938, which includes aid to agriculture, the Civil Works Administration, the Public Works Administration, aid to home owners, and the resettlement and housing activities of the government, and endow at 2 per cent an organization to promote world peace at more than the combined cost of the League of Nations, the World Court, and the International Labor Organization.¹⁰

In the two decades that have elapsed since the end of the World War, the nations have realized that one of the worst aspects of modern

¹⁰ "The Cost of War," *Think Magazine*, April 1938. Reproduced by permission of the International Business Machines Corporation.

large-scale war is the tendency of the costs to persist year after year into what seems an indefinite future. For one thing, it is extremely difficult to undo the damage done to international economic affairs by a few months or years of large-scale war. Production is disorganized. Old trade channels are destroyed and new ones are cut. Precious supplies of raw materials are exhausted. Markets are lost. Some industries have received an artificial, unhealthy stimulation. In other words, modern warfare demands that the entire economic life of a belligerent state be completely coördinated and focused upon the single objective of contributing toward military victory. Even in those states which do not take part in the war the abnormal war market demands of the belligerents create new industries and overstimulate others. When the war ends, the disorganization is so complete that the burden of reorientation is almost too great to be borne. Such, at least, was the experience of the world after the last great war. Also, for the belligerents there is the problem of fitting the millions of men who have been called to the colors back into the pattern of peacetime economic activity. This is especially serious for a country which depends greatly upon foreign trade, and whose foreign markets have been lost to neutral competitors. The persistent unemployment in Great Britain after the War can be attributed in part to this factor.

Economic recovery and reorganization is further retarded by the crushing weight of the debt burden which has been incurred during the period of belligerency. This particular legacy of the World War has already been examined in some detail. A prolonged period of warfare means that standards of living will tend to decline after the end of the conflict. It means, too, that the lost markets, industrial maladjustment, chronic unemployment, and depleted foreign investment, together with an ominous debt burden, will combine to expose the currency system of the country to terrific pressure. The result is either complete collapse or the institution of drastic methods of trade regulation and foreign exchange control. All in all, the costs of the war today are so gigantic that no country can fight actively for any length of time and emerge with its economic situation and financial position unshaken. And this is true, dismally true, irrespective of the outcome of the war. The fruits of war in the twentieth century are bitter indeed.

No attempt to evaluate the position of war in the modern world would be complete if the analysis rested merely on the direct economic costs involved. The social costs are equally heavy and equally obvious. Society must continue year after year to care for those who were so maimed that they cannot ever expect to become active or self-sustaining. Twenty years after the end of the World War, the United States government was still providing for 50,670 veterans in hospitals and an additional 14,254 in domi-

ciliary care. A total of 998,260 veterans had been admitted to hospital facilities in the two decades. Moreover, veterans' dependents must receive financial assistance. In the fiscal year, 1938, the Administrator of Veterans' Affairs reported that a total of 836,953 persons remained on the pension rolls of the government. In that year these persons received more than 400 million dollars in pensions and other disbursements.

Although no statistical evaluation is possible, everyone realizes that war takes a serious eugenic toll. The mentally and physically unfit are rejected—they can remain behind and become the fathers of the next generation—while those who have no flaw in mind or body are selected for the slaughter. In view of the high percentage of casualties in war, such a process, if long continued, must result in the deterioration of the physical standards of any nation. To this must be added the physical drain of prolonged malnutrition. When a nation taps all its food resources in order to feed its men in arms, there may be a serious food deficiency for the civilian population. Inexorably, this weighs most heavily upon growing children, and if the deficiency is serious it may affect the physical well-being of an entire generation. The ghastly condition of children throughout central Europe at the end of the World War was such that no amount of remedial care could undo the ravages of years of semistarvation.

To these social costs must be added others which are primarily political in character. The qualitative loss to society resulting from the elimination of those who are most able physically and mentally is particularly great in the field of political leadership. After a prolonged war involving huge human losses, there is a serious gap in the normal succession of generations of men coming into responsible positions in public office. The elder statesmen of the war period continue in office long after the time when, under ordinary circumstances, they might have been succeeded by younger men possessed of greater vigor and a different outlook. They remain in office because these younger men are dead and because their apparent political successors are too young and inexperienced to have gained the necessary measure of public confidence. It is undeniable that much harm was done to postwar Europe by the continued administration of governmental affairs by men whose experience and mentality were essentially prewar in character.

There is another political cost far more fundamental and important than the foregoing. This is the great menace of modern warfare to the existence of democratic institutions. The prosecution of present-day totalitarian war requires such a concentration of political power in the executive branch of government that democratic processes virtually cease to function. Even in the United States, whose participation in the World War was of comparatively short duration, the popular slogan was, "Politics must be adjourned for the duration of the War." In Great Britain, and to a lesser

degree in France, the concentration of power, based on party coalitions, conferred a virtual dictatorship upon those who held the executive controls. Under such circumstances it was possible for Clemenceau to brush aside all criticism by the blunt retort, "Moi, Je fais la guerre." Once again the war of 1939 has demonstrated all this. The rapid extension of governmental controls over all phases of economic life and the widened practice of legislation by decree have brought about a complete, though temporary, dictatorship both in France and Great Britain.

When the war is over, the number and magnitude of postwar problems are such that citizens are apt to demand action. Under these circumstances the cumbersome slowness so frequently characteristic of democratic rule in face of a crisis is apt to cause many people to forget the inherent long-term values of democracy. Speedy results are demanded, and when these are not forthcoming the entire system is subjected to criticism and disparagement. Antidemocratic movements flourish, and unless the democratic system is well rooted in the traditions of the people it may not survive the crisis. It is in this light that the general failure of the attempt to extend democratic institutions in postwar Europe may largely be explained. Governmental problems were supremely difficult and in many cases, such as Germany, there had been no great amount of previous experience with the operation of democratic institutions. It is true, of course, that the old and well-established democracies did survive the repeated shocks of the postwar era, but in every case they were subjected to pressure from domestic anti-democratic movements. Consequently, it is not difficult to share the pessimism of those who believe that the present war, if greatly prolonged, may spell the doom of democracy generally. This view may be overly pessimistic, but there is reason to fear that it is not. On the strength of the lesson of the Great War of 1914-18, it may be almost a miracle if even the oldest democracies can survive the strain which they have been called upon to bear.

A further cost of contemporary war may appropriately be included among the political or quasi-political items of the balance sheet. This is the tendency to disregard virtually all the traditional rules concerning methods of making war. For many generations men have labored patiently and under great difficulties to elaborate a set of rules, or laws of war, which would humanize conflict by assuring a decent measure of protection to prisoners of war and to civilian life and property in occupied regions, which would define the rights and duties of neutrals, and which would eliminate some of the worst excesses of war by securing a general agreement to refrain from certain practices and from the use of certain weapons. This general aim was well expressed by Vattel, one of the founders of international law, when he said:

Let us never forget that our enemies are men. Though reduced to the disagreeable necessity of prosecuting our right by force of arms, let us not divest ourselves of that charity which connects us with all mankind. Thus shall we courageously defend our country's rights without violating those of human nature. Let our valor preserve itself from every stain of cruelty and the luster of victory will not be tarnished by inhuman and brutal actions.¹¹

Gradually, and through numerous accretions, such a code of conduct was elaborated. It was a composite of the writings of individual scholars, a multitude of relevant court decisions, unilateral declarations of national policy, and the acts of international congresses. Although still uncodified and far from complete at the time of the outbreak of the World War, there was an accepted body of rules and regulations the prospective observance of which was generally anticipated.

Today, to use the conventional phraseology, the world is both sadder and wiser. The experience of the World War and of the conflicts since 1919 has confirmed the conclusion that rules elaborated to meet certain conditions of warfare and the use of certain types of weapons will not be observed when the conditions and the weapons have changed. To cite a specific example, the submarine controversy between the United States and Germany, which did as much as any other single thing to bring the United States into the War, was provoked by the fact that the American government stood firmly upon the traditional rights of a neutral and insisted that when Germany interfered with its commercial shipping or travel upon the high seas she should do so according to the established and recognized procedures. In order to enforce a blockade, a belligerent has the right to stop all shipping which enters the war zone and to search a ship for all enemy goods which are liable to confiscation or destruction. An enemy merchantman may be sunk if it is impossible to take it into port, provided that passengers and crew have been given ample opportunity to leave the doomed ship. Germany did make some effort to follow this procedure but she speedily found out that it was impossible to continue. The submarine was the only weapon which she could use freely upon the seas. Being a frail craft, it could not come to the surface and order a merchantman to stop for the traditional "visit and search" because, if it exposed itself, a single well-placed shell from an armed merchant ship would be fatal. It was equally impossible for a submarine to make any effective provision for the safety of the passengers and crew of a ship which it destroyed. Virtually its only chance of success in hindering enemy commerce was to torpedo a ship without warning, leaving the passengers to fend for themselves as best they might. As the Germans saw it, if they attempted to

¹¹ Cited in the opinion of Mr. Justice Mayer, *Petition of the Cunard Steamship Co. Ltd.* 251 Fed. 715.

follow the rules they would abandon their only chance to check the flow of food and munitions into Great Britain. Their decision to abandon the rules rather than the submarine may have been a diplomatic error, since it brought the United States into the War, but it was a natural one.

To indicate even more graphically the way in which the new type of warfare has wrought havoc with previous attempts at humanization, it is sufficient to remember that The Hague Peace Conferences of 1899 and 1907 drew up Conventions forbidding the throwing of projectiles from balloons or other aircraft and forbidding the use of projectiles containing asphyxiating or poison gas. The Fourth Hague Convention forbade the bombardment of undefended towns, required that preliminary warning of an impending bombardment be given, and required, further, that certain buildings should be exempted from enemy bombardment.

The chief point to be observed here is that the concept of war has changed, or, to put the matter more accurately, the concept of war which animated the delegates to The Hague Conferences has been rendered almost completely obsolete, partly because of a change in point of view, and partly, as has been indicated above, by an inability to fit the use of airplanes, submarines and modern weapons into the traditional and approved methods of warfare. The Hague Conference point of view was that war could best be humanized by the adoption of rules which would emphasize the distinction between combatants and noncombatants, the latter to remain as far as possible outside the effects of the war. Modern developments point in another direction. The lines of development which became apparent somewhat gradually during the World War have now converged and, what with the recent experiences in the Spanish Civil War, the Far East, and now in the great struggle which began in September 1939, the world has had all too many object lessons concerning the character of modern warfare. It is not a pleasant thing to contemplate. No longer is war a matter exclusively of combat between trained forces. Rather it is a "totalitarian" war, a war in which the entire population and strength of a state are pitted against a similarly organized antagonist. Destruction of civilian life and property by air attack behind the lines may be fully as important as killing soldiers at the front. If through such attacks industrial centers can be destroyed, railways and other means of communication paralysed, and, most important of all, if the morale of the civilian population can be broken, then victory can be assured. It may be that this new and shockingly horrible type of warfare will not be wholly successful, that civilian morale may be stiffened rather than broken by the maiming and killing of children and the aged, and it may be that technological improvements in defense measures will protect vital industrial and communication centers, but, even so, it is totalitarian war, a struggle which demands the utmost concentration

of national energies, a war in which national resources are progressively exhausted and priceless cultural treasures destroyed. It appears now that victory in modern mechanized warfare is likely to be a matter of national exhaustion, a gloomy conclusion foreshadowed by the announcement of the British government, almost immediately after the initiation of hostilities in September 1939, that it looked forward to a war which would probably last for three years. The Frankenstein which has emerged from our laboratories may yet destroy his creators.¹² |

¹² On the nature of totalitarian war, see General Ludendorff, *The Nation at War* (London, n.d.), *passim*; H. W. Baldwin, *The Caissons Roll* (New York, 1938), chap. 10; R. E. Dupuy and G. F. Eliot, *If War Comes* (New York, 1937).

XVIII

MILITARISM AND THE ARMS PROBLEM

THE preceding chapter attempted to trace some of the transformations which the institution of war has undergone in modern times. The underlying thesis was that the basic changes which have occurred have in turn exerted a profound influence upon the character and conduct of international relations. Because war, or the threat of war, is so fundamental to any system of international power politics, there are a number of ramifications of this problem which remain to be considered. Some of these must now be explored, even at the risk of repetition, in order to make the grim picture as complete as possible.

WARFARE IN THE SCIENTIFIC AGE

First of all, it has been noted that although warfare in the machine age has not freed states from a basic dependence upon manpower, the emphasis has tended to shift from the human to the mechanical factor. When we estimate the ability of state A to wage a successful war with state B, we do not think so much about population superiority, but rather of the strength which each is reputed to possess in terms of mechanical equipment. When we speculate about military combat we think of machines—of submarines creeping through the water, of fast armored cruisers and destroyers ploughing the surface, of battle planes zooming through the air, and of heavy tanks lumbering clumsily across a shell-torn no man's land. We do realize that the goal of all this destructive effort is the enforced subordination of one people to another, but because machine is met by machine we assume that superiority of equipment will determine the final outcome.

Within certain limits this conclusion is so obvious that it is scarcely open to argument—a fact that was demonstrated in tragic fashion by the slaughter of the Ethiopian hordes by the mechanized forces of the Italian invaders. Consequently, it is little wonder that every state struggles up to the full resources of its financial ability to acquire the greatest possible supply of the latest and best types of war machines. For a great power this

problem has become one of tremendous complexity. Every possible effort must be made to develop new and superior types of weapons, the possession of which must be kept a carefully guarded military secret. Research laboratories, amply fed by government funds, work away unceasingly in a search for new devices and for improvements in the efficiency of existing ones. Chemists experiment with new and more deadly gases. Metallurgists strive to lengthen the life of guns and motors and to develop explosive shells which will scatter their life-destroying fragments over an ever wider area. Experts in ballistics endeavor to improve the accuracy and rapidity of gun fire. Across the whole wide front of modern science the frenzied search goes on.

Sometimes an improvement will be made which will be so revolutionary that all previous weapons of the type will become obsolete at once. An excellent illustration of this was the invention of the recoil cylinder for field artillery. With the old type of field gun, in which the barrel was mounted rigidly upon the chassis, the force of the recoil was so great that the gun had to be shifted back to position and sighted again after every round. Field guns of great size could not be used because the recoil was so great that the gun could not be controlled. The mechanical problem can be understood by a graphic comparison. "Imagine your four-seater touring car, weighing about one ton, travelling at five hundred miles an hour. If a suitable recuperator [recoil] mechanism could be employed to stop it, then the car would be brought to a standstill and the shock absorbed in about a yard of space and less than a second of time."¹ Nonetheless, and despite this prodigious difficulty, the recoil cylinder made its first appearance about the turn of the century and brought with it the heavy field guns of modern times. It is interesting to note that just prior to this time (1897), the German government had ordered a large shipment of rigid field guns from the Krupp works at Essen. The total cost of the order was in excess of 140 million marks. Before all the guns could be delivered the new recoil mechanism had made its appearance, and the German government had to spend an additional 100 million marks to scrap these new unused guns and to replace them with those of the recoil type.²

For a first-rank power the expense involved in this rapid rate of obsolescence is not a factor which need be seriously considered. A second-rate power, however, may find the cost factor an insuperable obstacle. Thus, when the Chinese envoy, Li Hung Chang, witnessed the operation of the first Maxim machine gun he was greatly impressed, but when he was told that it cost \$150 a minute to operate, he commented quietly that such a gun was much too expensive for China. Such a comment could never have come

¹ V. Lefebure, *Scientific Disarmament* (London, 1931), pp. 50-51.

² B. Menne, *Krupp, or the Lords of Essen* (London, 1937), pp. 177-83.

from a representative of a Great Power because the cost of the new weapon would be incidental to the military advantage gained by its possession. The primary significance of this disregard for the cost factor in obsolescence is that, with the rapid rate of scientific discovery in recent years, the military balance of power in Europe has constantly been unbalanced and rebalanced at a higher level. Sea power provides an excellent illustration of this fact. When Great Britain introduced the famous "Dreadnought" in 1906, the superior size and striking power of this vessel forced all other naval powers to recast their own plans and to begin the construction of equally large ships. The "Dreadnought" had a displacement of 17,900 tons, which was more than eight times that of the famous "Victory" of the eighteenth century. Fourteen years after the appearance of the "Dreadnought," however, the British Admiralty launched the "Hood," which displaced 42,100 tons. At the present time the United States Navy is constructing ships of 45,000 tons.

Yet the problem is not merely one of expansion to keep up with the most recent developments. Mechanized warfare means that a state must be prepared to supply large-scale replacements of material in actual combat. After a few hours in the air the motors of a fighting plane must be taken down and completely rebuilt. During the World War the effective life of a 9.2" gun was reckoned at 1000 rounds. The famous "Big Bertha" which shelled Paris from a distance of eighty miles exemplifies this problem in a slightly exaggerated fashion. The gun barrel, which was 112 feet long and weighed forty tons, had to be removed and straightened after every round. After sixty-five rounds the barrel had to be replaced with a new one. Each round cost 35,000 marks for explosives, and the propellants had to be carefully preheated in an underground chamber.

Even more serious is the problem of supplying fuel and munitions to the machines. The increase in the rate of fire of all weapons has placed a terrific strain upon the industrial resources of a great power engaged in combat upon a wide front. In 1916, the Krupp factory alone had 118,000 workers, and one of its plants was turning out 20,000 finished shells daily. In 1915, the British forces fired an average of 2000 tons of shells a week. In the last year of the War this had increased to over 100,000 tons a week, and in three great days, 27-29 September 1918, the British alone fired more than 65,000 tons of shells.³ In other words, a state must have some assured means of turning out a gigantic and continuous stream of war machines and supplies; otherwise it cannot hope to compete with a power which can do these things. This requires access to an almost unlimited supply of a bewildering range of raw materials and a great industrial plant manned by a corps of highly skilled workers. If all these essentials are not available

³ Sir George Aston (ed.), *The Study of War* (London, 1927), p. 157.

at home, domestic facilities must be supplemented by the importation of raw materials or finished products from abroad or by both. Somewhere, a supreme mobilization of raw materials, fuel supplies, scientific skill and industrial efficiency must take place. Without this a state can scarcely embark upon a war with a powerful opponent.

Somewhere, too, there must be means of meeting the financial burden. Even in 1913, the growing mechanization of defense caused the Great Powers to spend five times as much for arms as they had spent in 1858. Following the War there came a decade in which the rate of increase in cost was relatively low. By 1930, the Allies were spending approximately 65 per cent more than in 1913, but a part of this increase was due to the rise in prices. Since 1930 the world has witnessed the most extensive, and expensive, armaments race in the history of mankind. Up to the present writing (1939) it has continued at an ever-faster tempo. The following figures illustrate graphically the staggering burden which state treasuries struggled to carry:

TABLE XXIX
NATIONAL DEFENSE EXPENDITURES OF THE WORLD ⁴
(In millions of dollars)

1932	3,783.7
1933	3,962.8
1934	5,031.4
1935	8,776.0
1936	12,976.0
1937	15,468.7
1938 (app.)	17,581.3

Moreover, as tension continued to increase, the Powers made feverish attempts to prepare themselves for the war which seemed likely to result from Hitler's reckless bid for Continental supremacy. France increased her arms estimates for 1939, while Great Britain, not content with the results of the expenditure of £370,000,000 in 1938, prepared to spend £658,000,000 in 1939.⁵ All these estimates were swept away by the outbreak of hostilities in September 1939. France immediately voted huge supplementary military credits and the British parliament voted a war appropriation of £500,000,000. The United States is engaged, similarly, upon a vast new program of naval and air rearmament. The totalitarian states, though they publish no budgetary estimates, remained well in the forefront of the mad race. German military appropriations for the struggle of 1939 are unknown, but they must be impressive.

⁴ W. T. Stone, "The Economic Consequences of Rearmament," *Foreign Policy Reports*, 1 October 1938.

⁵ *The New York Times*, 12 July 1939.

The weight of this burden can be calculated more accurately when it is borne in mind that approximately 80 per cent of the pre-1939 increase has been borne by the seven Great Powers. This means that in each case the rearmament program has become a major factor in national economic life. Having embarked upon this increase in time of depression, some of the Great Powers found themselves in the unenviable position of being compelled to continue with it almost as much because of reasons of domestic economy as because of external political tension. It is this fact which alarmed so many economists. It is obvious, because of the economic character of rearmament, that a program of government spending for arms cannot be of any great assistance as a long-time measure of economic recovery. On the contrary, it directs capital into nonproductive enterprises and tends to bring about an abnormal expansion of those heavy industries which are involved. As a cure for unemployment its value is purely temporary—unless, of course, as is unhappily true at the present time, the rearmament program results in war.

Since a program of this magnitude could not possibly be financed from current savings, many persons have speculated about the disastrous consequences which seem destined inevitably to follow. As one recent observer has remarked, "Nations can 'afford' gigantic armament programs just so long as they are able to impose a high level of savings on their peoples, or maintain the confidence of their peoples, and export enough to pay for their essential imports. But the history of the past few years clearly demonstrates that this leads almost inevitably to dictatorship or governmental intervention. In order to accomplish its purpose, the state is forced to appropriate a larger share of the national income, accelerate its own investment activity, intervene in the operations of the national economy, and suppress civil liberties. For the democracies, the ultimate cost of unlimited armament competition may be the loss of their free economies and the undermining of democracy itself."⁶ The tremendous acceleration of military costs, brought about by the outbreak of war in 1939, has brought one phase of this speculation to a close but it has opened up a second and far more terrifying period. It is obvious that, with the existing burden of public debt, no one of the belligerent states can possibly wage a long and exhausting war without serious financial troubles.

THE PRIVATE MANUFACTURE OF ARMS

It is clear that the problem of armament competition in modern times is a formidable one both in its technical and its financial aspects. On the

⁶ W. T. Stone, *op. cit.*, p. 172.

technical side, the first and perhaps the most fundamental question concerns the method by which the vast supply of arms shall be assured. Shall the government entrust its orders to private manufacturers, or shall it endeavor to produce its own arms in government factories? A violent international controversy has raged about this question for a number of years and, although many aspects of the problem are beyond the scope of this book, it seems appropriate to summarize the arguments briefly.

Those who oppose the private manufacture of arms do so, first of all, because they feel that it is fundamentally wrong for any group of persons to profit from the manufacture of instruments of death. Their humanitarian tendencies are revolted by the thought that men's purses may be fattened by the preparation of devices destined to slaughter other men. This attitude is even more pronounced when it is applied to the problem of private manufacture during war. Many persons who might not be strongly moved by such an argument in time of peace would agree that men ought not be permitted to earn swollen profits from war orders while their fellow citizens are offering their lives in defense of the common fatherland. It is little wonder that the move to take the profits out of war has gained such formidable proportions in recent times.

Further, it is argued that private manufacture makes it more difficult for a country to keep its military secrets from the prying activities of foreign spies. More effective supervision of personnel can be maintained in a government plant than in a private factory where government orders constitute only one portion of the activities in which the workers are engaged. Where new devices or new processes are developed in government laboratories, they are of little value until equipment embodying these discoveries is ordered from a manufacturing company. As soon as this is done it becomes difficult to maintain secrecy, and foreign countries, profiting from an efficient espionage service, can adopt the same improvements and offset any lost technical advantages.

Far more important than this is the criticism directed against private manufacture because of the alleged political activities of the manufacturers themselves. In order to stimulate government orders and the resulting profits, arms companies have deliberately fomented war scares, bribed government officials, disseminated false news concerning the arms activities of other countries, and resisted all attempts to reach arms limitation through international agreement. To these nefarious ends, they have influenced public opinion through control over newspapers and other channels of public information. Nor have they hesitated to employ skilled propagandists who work alone or through alleged patriotic societies to build up a favorable sentiment for arms expansion.⁷ To make matters worse, certain private

⁷ See the League of Nations, *Report of the Temporary Mixed Commission*, Document A. 81 (Geneva, 1921), p. 11.

armaments companies have organized in the past an international ring, designed to foster an arms race by playing off country against country. In the interests of profit these companies have been willing and eager to sell arms of all kinds to any foreign power even though there may be political tension and threatening war between the two states. As long as the profits roll in, the company is unconcerned if, as a result of its activities, war develops, and men of its own country die at the hands of weapons made and sold by their fellow countrymen.

These are all grave charges against the system of uncontrolled private manufacture. If the indictment is a true one, it would be most difficult for anyone to defend such a corrupt and dangerous force within any country. In fact, so much has been written along this line that liberal and pacifist organizations in many countries have for many years passed resolutions condemning the system as being wholly indefensible. In the United States, the Nye Committee conducted an exhaustive investigation into the affairs of companies engaged in the manufacture and sale of arms. In Great Britain, a Royal Commission has carried on a similar inquiry into the affairs of British arms companies.⁸ From these official and unofficial investigations there has emerged enough evidence to permit some judgment concerning the truth of the allegations hurled at the armaments companies. The first conclusion indicated by the evidence is that for each charge there is some justification. Amply acceptable testimony provides conclusive proof that every charge can be illustrated by the practices, present or past, of some arms company somewhere. For example, the famous Brandt trial in Berlin in 1913 proved that Krupp officials had resorted to bribery of government officials. To cite another case, one Zeletsky, an agent for the Czechoslovak Skoda works, was convicted in 1933 of large-scale bribery of Rumanian government officials, including two cabinet ministers.

The second charge, that of disseminating falsified or other sensational news designed to stimulate arms construction, or at least to check all attempts at limitation agreements, is equally verifiable. The Mulliner scandal in England is a case in point.⁹ The Nye Committee pointed out that "the [Washington] Conference had been preceded by the sale of all the German chemical patents to the American companies for a small sum, extensive propaganda and expenditures for high tariff protection on grounds of national defense, and the instigation and writing of news stories from

⁸ Cmd. 5292 (1936). For the Nye Committee Report, see Senate Report No. 944. Part III. 74th Congress, 2nd Session (1936). For additional reading, see Philip Noel-Baker, *The Private Manufacture of Armaments*, Vol. I (London, 1936).

⁹ Philip Noel-Baker, *op. cit.*, pp. 449 ff. Mulliner was managing director of a British ordinance company. By disseminating false news concerning the German naval building program he was able to bring about a war scare and a great increase in the British naval estimates.

London and Paris designed to give the American public the impression that France and England were engaged in the construction of great poison gas factories of their own to offset the German ones. *Some of these were written by a du Pont agent under an assumed name.*"¹⁰ As a further example the much discussed Shearer case may be recalled. A lobbyist for the Bethlehem Shipbuilding Corporation, the Newport News Shipbuilding and Dry Dock Company, and the American Brown Boveri Company, Shearer worked assiduously at Geneva in 1927 to defeat the Naval Disarmament Conference, lobbied at Washington in behalf of all naval construction bills in 1927, 1928, and 1929, wrote articles in the press, and carried on a general propaganda campaign throughout the country.¹¹

Through interlocking directorates, stock ownership, licensing and price-fixing agreements, and the like, the various companies have at times achieved such a unity of policy that profits have been maximized and rivalry has been minimized. Such an arrangement may operate with an almost complete disregard of the national policy of the country in which a company may be located. If, as has been alleged, the French-controlled Skoda works in Czechoslovakia actually did assist in the first stages of the secret rearmament of Nazi Germany, the irony of the subsequent situation would be a fitting and tragic commentary upon the political implications of the international armaments ring.¹² The Nye Committee found that "the international commercial interests of such large organizations as du Pont and Imperial Chemical Industries may precede in the minds of those companies the importance of national policy as described publicly by the foreign office or State Department, and that such considerations of commercial interest were apparently foremost in the rearming of Germany beginning in 1934 and in the sale of a process which could be used to manufacture cheaper munitions in Japan in 1932, shortly after Secretary of State Stimson had taken steps to express the disapproval of this Nation for Japan's military activities in Manchukuo. Several aviation companies also licensed Japan for the use of their material in Manchukuo at a time when the United States Government refused recognition to it. Recognition by munitions companies may be far more important than diplomatic recognition."¹³

It is wholly natural, therefore, that many persons should regard the system of private manufacture as inherently dangerous, so dangerous in fact that it should be uprooted at once and replaced with the alternative system of government manufacture. The late Senator Borah declared recently, "I

¹⁰ *Report*, Part III, p. 5. Italics ours.

¹¹ For details, see the Nye Committee *Report on Naval Shipbuilding*, 74th Congress, No. 944. Part IV, esp. pp. 225-54.

¹² On this claim, see H. C. Engelbrecht and F. C. Hanighen, *Merchants of Death* (New York, 1934), pp. 242 ff.

¹³ *Report*, Part III, p. 12.

have reached the conclusion that it would be about as absurd to turn the War Department or the Navy Department over to private interests as it is to leave the manufacture and sale of the instrumentalities of warfare in the hands of private interests."¹⁴ In the same vein, the majority of the Nye Committee recommended "government ownership of all facilities adequate for the construction of all warships, by the United States Navy Department, also all gun forgings, projectiles, and armor plate, and of facilities adequate for the production of powder, rifles, pistols, and machine guns necessary for the United States War Department."¹⁵

GOVERNMENT MANUFACTURE

Yet all this criticism, however well founded, is in itself not sufficient as a basis for definitive judgment. The commonly discussed alternative of government manufacture involves many difficult technical problems and has certain international political aspects which cannot be disregarded. Technically, the fundamental problem is this: How can governments maintain plants large enough in time of peace, staffed by an adequate corps of skilled workers, to take care of national needs in case of war? Figures cited earlier in this chapter give some indication of the enormous mass production necessary in time of war. Can a government build gigantic factories and keep them in a stand-by condition? Can a great number of technical workers be trained and then kept in virtual idleness ready to report for duty in case of war? The "shadow factory" scheme, which involves the maintenance of skeleton plants in a stand-by condition, has been discussed widely, notably in Great Britain; but while it has some utility, students generally agree that its chief value is as a supplement to other methods rather than as a substitute for them. It is obvious that the cost of maintaining a great system of government plants and workers in partial idleness would involve huge and continuing expenditures. Moreover, since such a system could in all probability not possibly suffice for all wartime needs, the difficulties of expanding production in private plants would be greater than at the present time. The so-called "conversion lag" is great enough at best, e.g., in April, 1917 the United States Government placed an order for 1300 Lewis guns with the Savage Arms Corporation, but first deliveries did not reach the government until December, eight months after the order had been approved. This lag would be even greater if private companies were excluded from peacetime armament contracts because available plant facilities would be smaller and there would be an inadequate staff of

¹⁴ Speech in the Senate, 5 March 1934.

¹⁵ *Report*, Part III, p. 15.

trained workers. It is noteworthy that these considerations have led many governments, including the United States, to encourage foreign sales by private companies in order to keep them working at the maximum of efficiency.

Upon close examination it seems doubtful if a distinction can be maintained between armaments companies and other industries which must coöperate in modern warfare. The manufacture of a machine gun is only one part of the process of national defense. Is it more vulnerable, or important, than the work of the miner of raw materials from which the machine gun is made? Or, for that matter, is either more important than the farmer who produces food, or the railway company which transports troops and supplies? One need not defend the malpractices of arms companies to agree with the British Royal Commission that "it is possible to share the idealistic aspirations of those who seek the eradication of war as an instrument of policy without imputing moral obliquity to those who prepare for it in a world in which war is only too certainly a possible contingency. Indeed, the moral considerations, whatever their force, may be applied equally to the provision of arms by the state and to their provision by private industry."¹⁶

Internationally, the development of state monopoly would do nothing to solve the problems of the nonindustrial state which must depend largely upon foreign sources for its supplies of arms and munitions. Only a very few of the sovereign states are equipped to supply anything more than a small portion of their defense needs by domestic production. The others must depend upon foreign purchases. If, through the nationalization of arms industries, these states were cut off from their present sources of supply, they would have but two other possibilities: development of domestic manufacture or purchase from foreign government arsenals. Since for many countries the first alternative would be quite impracticable, it would appear that the elimination of private arms manufacture would merely bring governments into the international arms traffic at first hand. Although it may be argued that this would be preferable to the present system, it would be difficult to show that it would eliminate many of the admittedly evil features which have recently provoked such a volume of criticism.

By the midsummer of 1939, complete or quasi-complete nationalization of arms manufacture had been achieved in the totalitarian states. In Great Britain, the Admiralty depends chiefly upon private firms both for ship building and for armaments, although torpedoes, and some gun mountings, are manufactured in the Royal Ordnance Factories. Private firms supply the bulk of the equipment for both the army and the air force. Under the Blum government (1937), France turned partly toward nationalization.

¹⁶ *Report*, p. 23.

Expropriated air factories have been grouped into six quasi-autonomous "national companies" in which the state has a controlling interest. Armaments sections of some of the great metallurgical works, such as Creusot, have been taken over, and remaining private manufacturers operate on a license granted by the government. Altogether, about 75 per cent of all firearms, including artillery, are now being manufactured by the French state. Government permits are required for all exports. In the United States, the Army manufactures its own rifles, cartridges, and field artillery, while the Navy manufactures most of its powder, its guns, and half of its ships.

In general, most industrial countries adhere to a policy of partial manufacture in government plants, supplemented by the full resources of private industry. Since the outbreak of the World War found so many governments wholly unprepared for the magnitude of the effort they were called upon to produce, much postwar activity was directed toward the formulation of a scheme of national industrial coördination—to the end that upon the outbreak of war every major industrial unit in the entire country would know exactly what the government would expect from it. It was hoped that such a coördinated plan would greatly minimize the "conversion lag."¹⁷ So far had this plan progressed that the outbreak of war in 1939 did not create any great amount of confusion. The coördination of industry proceeded smoothly and efficiently in all the major belligerent countries.

One other phase of the armaments problem must be examined briefly. This is the attempt to establish some sort of control at the international level. The Covenant of the League of Nations declared (Art. 8, Sec. 5) that "the Members of the League agree that the manufacture by private enterprise of munitions and implements of war is open to grave objections. The Council shall advise how the evil effects attendant upon such manufacture can be prevented, due regard being had to the necessities of those Members of the League which are not able to manufacture the munitions and implements of war necessary for their own safety." On the basis of this authorization, the Temporary Mixed Committee established by the League Assembly began the study of the problem. In 1923, it recommended the control, but not the abolition, of private manufacture. After efforts to secure American support for the Saint Germain Convention of 1919 dealing with the arms traffic failed, it was decided to attempt the preparation of a new international convention which might be universally acceptable. In 1925, some forty-four states sent official representatives to a conference held in Geneva for this purpose, and a comprehensive agreement was elaborated. This provided for control of arms exports through a system of licenses, and prohibited the unlicensed export of certain categories of weapons. Export

¹⁷ For a brief discussion of American policy, see H. Tobin and R. L. Buell, "Can War Profits be Eliminated?" *Foreign Policy Reports*, 1 April 1937.

to certain special zones or areas was also to be abolished, but no international supervisory authority was to be created.

Prior to the Roosevelt Administration, the United States held that, while it could regulate the export of arms, the Federal government could not constitutionally establish control over arms manufacture. This point of view now seems to have been abandoned, for the Administration sought to support international action, notably in 1934, by proposing to the Disarmament Conference "a convention containing provisions for the supervision and control of the traffic in arms much more far-reaching than those embodied in the convention of 1925." By the time of the outbreak of war in 1939 the 1925 convention had not gone into effect, and there had been no new attempts at international legislation.¹⁸

ARMAMENTS AS A CAUSE OF WAR

One basic consideration has animated most of the popular discussion concerning private versus public manufacture of arms, as well as the problem of the international arms traffic. This is the belief that arms are a fundamental cause of war. However brought about, an increase of arms in one country may be defended as a contribution to an increased sense of security in that country. The difficulty is—so the argument runs—that the increased sense of security in the first country will be counterbalanced by an equally increased sense of insecurity in other countries which have reason to fear that in case of war the first country might be on the opposing side. Hence the second country must expand its own arms by as much, or if possible by more, than the first. The resulting armaments race heightens political tension. Each state suspects the other of predatory designs, espionage activities are intensified, demagogues begin to arouse public feeling, warnings of military authorities tend to outweigh the advice of civilian officials, and the cumulative effect of an arms race results in a general feeling on the part of both states or groups of states that war is inevitable. When this stage has been reached, any minor incident will suffice to release the accumulated forces. In this way it is held that arms cause war, and that war could be obviated if competition in arms could only be avoided.

This view, though sincerely held by countless persons, is both oversimplified and greatly exaggerated. It is unquestionably true that a reckless arms race does tend to develop that suspicion and tension which provide a background for the possibility of war. But the fundamental question is: What caused the initiation of the arms race? It is by no means adequate

¹⁸ M. O. Hudson, *International Regulation of the Trade in and Manufacture of Arms and Ammunition*. Senate Committee Print No. 1, 73rd Congress, 2nd Session.

to say that it was started because of the unscrupulous activities of private arms manufacturers. Save for a few relatively minor cases, this factor has been incidental. On the contrary, it must be agreed that most increases in armament come because a genuine feeling of insecurity precedes the decision to rearm. States feel insecure, i.e., they fear the possibility of war, because their foreign policies are in conflict with other states or groups of states, and because they feel that military strength is the best guarantee that they may be able to make their own policies prevail. Basically, arms are the instrumentalities of power. They are created because war is still the accepted and final device for the attainment of the ends of the state. A state arms itself because it wishes to make its own policies prevail, and this applies equally whether a state seeks to maintain or to upset the *status quo*. Although arms may increase the likelihood of resort to war, they exist primarily because war is an ever-present possibility in a world of independent states. Arms are caused by the danger of war, far more than war is caused by the presence of arms. Clearly, the well-meaning pacifists who declaim against armaments have placed the cart before the horse.

Basically, these considerations are sound, but care must be taken to avoid oversimplification. In these days when armaments cost so much and when an armaments race becomes such an integral part of various national economies, it is possible, though by no means inevitable, that a state, particularly a state under dictatorship, may be unable or unwilling to abandon the race when the burden becomes intolerable and will strike out with an aggressive foreign policy in order to check domestic discontent and bring access to increased supplies of food and industrial raw materials. If this policy is resisted and if war results, the burden of armaments may have been an important factor in precipitating the conflict. Even so, it can be argued that if rearmament elsewhere had been increased to an equal amount, the predatory state might not have been able to embark upon a foreign policy of such reckless aggrandizement. If this is true, then the war in question results, not so much because of the armaments of the first state as because of an absence of adequate counterarmament by the resistant states. In any case, it seems conclusive that arms are primarily agencies, rather than causes, of war.

In a sense, this is a gloomy conclusion because it tends to reënforce the militarist argument that preparation for war is a guarantee of peace. At the same time, it is becoming increasingly obvious that the financial burden of modern armaments has placed an almost unbearable burden upon the budgets of all the major powers. If disarmament is not possible in a world of independent states competing in the great game of power politics, and if the burdens of armament, much less the burdens of war, have become almost intolerable, financially speaking, then it may be that the only hope

lies in the creation of an effective international agency for the pacific adjustment of international disputes. If the sacrifices imposed upon all belligerents by the great war of 1939 should lead them to accept this fact, and if the coöperation of the other major powers could be enlisted, it is possible that the world might yet be able to close a long, costly, and bloody chapter in its history. This is not a simple panacea, but it seems the only alternative to the war system.

XIX

PROPAGANDA AND CENSORSHIP

WHATEVER its form, all government rests fundamentally upon the ability of a leader or group of leaders to command obedience from the great majority of those whom they govern. Although this obedience may be limited in duration or in scope, it must in the long run be a voluntary rather than a coerced submission, for the bloody hand of revolution waits to strike down the ruler who fails to respect this ancient axiom. It follows, therefore, that those who are wise in the art of governing strive to maintain their popularity, even in a nondemocratic governmental system, rather more through adroit persuasion than through the use of naked force. In a democracy where popular submission to political authority is sharply delimited by fundamental law and custom, a leader must place special emphasis upon persuasion, but even an absolute dictator in the twentieth century must be able successfully to manipulate mass opinion.

These same observations apply with almost equal validity to the conduct of international relations. Since, traditionally, force has been the most weighty factor in making for the success of foreign policy, astute rulers have always searched for devices which would increase their own power component vis-à-vis potential or actual enemy combinations. Modern nationalism has placed a weapon of immense value in the hands of a ruler who can stir his subjects up to the point of almost limitless self-sacrifice by invoking the patriotic ideal. We have seen in earlier chapters how modern governments have refined the use of economic weapons to strengthen their own position and to weaken that of an opponent. Today, the manipulation of mass opinion is not confined to the citizens of the manipulator's state but is directed as well toward groups of citizens in a foreign state. Indeed, one of the most significant developments in recent international relations has been the attempt to apply this principle of mass persuasion to citizens of other states.

The terms most commonly used in connection with this attempt to form and shape mass opinion at home and abroad are "propaganda" and "censorship." The term "propaganda" dates from the creation of a Commission of Propaganda by Pope Gregory XIII in the seventeenth century.

This was an agency established to devise means for the propagation of the Catholic creed. Consequently, the term did not, in the beginning, carry with it any measure of opprobrium, and even today the term has a far more sinister connotation in non-Catholic countries than in those which have remained faithful to the See of Rome. By a process of gradual transformation propaganda has come to mean, not the organization or the doctrine which is to be spread, but the methods used to achieve that end. In the sphere of contemporary international relations, propaganda refers to the techniques employed by a government or any of its subsidiary agencies to influence mass opinions and attitudes in order to bring about a desired response. Normally, of course, it consists of the skillful presentation of arguments based upon the use of significant symbols which, being readily recognized, will cause the masses to accept certain alleged facts and reach certain desired conclusions. Since the "facts" and arguments used must be carefully selected, the propagandist must suppress all facts and arguments which would lead to a contrary or undesired conclusion. Consequently, "censorship," or the suppression of certain information, is an integral and necessary part of the tactics of any successful propagandist.

THE DEVELOPMENT OF PROPAGANDA

Certain crude and elementary devices of persuasion have been used by governments for a long time. The Girondists of the French Revolution distributed leaflets among enemy troops offering rewards to deserters. Napoleon attempted to control Parisian opinion by the suppression of sixty of the seventy-three newspapers in that metropolis.¹ The attempts of American Revolutionary leaders to influence European opinion, and the later attempts of leaders of the Southern Confederacy to achieve the same goal, are well known to students of American history. Such tactics were gradually multiplied in the nineteenth century and responsible governmental leaders became increasingly aware of the possible gains to be obtained by them. Bismarck's editing of the Ems dispatch is a famous example of the work of one who has been aptly termed a master propagandist. By a few skillful alterations in phraseology, a telegram from the King of Prussia to Bismarck was so changed that when published it conveyed the impression to the Germans that the French Ambassador had insulted the Prussian King, while exactly the opposite impression was conveyed to the French. This deliberate attempt to wave a red flag before "the Gallic bull" was so suc-

¹ L. M. Salmon, *The Newspaper and Authority*, p. 323 cited in W. Albigh, *Public Opinion* (New York, 1939), p. 289.

cessful that the French government declared war the next day, thus inaugurating the Franco-Prussian War of 1870.

Even so, the use of propaganda was at best sporadic and unsystematic until quite recent years. At times, chiefly in case of war or threatened war, governments made efforts to rouse public opinion at home and to influence opinion abroad, but save for times of national emergency there was little resort to official propaganda. At no time during the nineteenth century did any government regard propaganda as a major instrument in the conduct of international relations—an instrument to be used regularly and along carefully planned lines in order to achieve a desired result. Perhaps the closest approximation to this was the large-scale subsidization of the French press by Russia in the last decade of the century.

The great transformation from nineteenth-century practice to our present-day world in which organized propaganda plays so large a part in international affairs has been made possible primarily by the multiplication of devices whereby the masses may be reached and their opinions influenced. As means of communication increased in number and rapidity, the newspaper was gradually transformed from a journal of opinion reaching a select circle of readers to a great commercial institution, gathering its news by telegraph and cable from the four corners of the world and placing the finished product on the market at such low cost as to be prohibitive to no one.² Gradually, as the circle of newspaper readers widened, control over news gathering became more and more centralized in a few great associations which provided the bulk of the newspapers with virtually all nonlocal news. Thus while the reading public grew by leaps and bounds, facilities for controlling and coloring news became all the more readily available. A single statement made by a government leader can now be read by millions of persons within a few hours, perhaps within a few minutes. Unless there is political interference this same statement will be blazoned on the pages of foreign newspapers almost within the same time limits. This is a power such as no monarch of the past, however absolute, ever possessed.

Motion pictures constitute an important auxiliary to the newspaper. Year by year the attendance totals of the motion picture houses of the world have grown until there are relatively few persons, in the Western world at least, who do not patronize the cinemas with reasonable regularity. It has been estimated that, in 1937, 88,000,000 persons in the United States attended motion pictures on an average of once a week. In Great Britain

² In 1850 one copy of a daily paper was printed for every sixth family in the United States; in 1899 there was one daily for every two families; today there are one and one-quarter papers for each family. Actual informational content in each paper has increased from 250 to 500 per cent. *The New York Times*, 27 February 1939.

the total attendance is approximately 1,000,000,000 a year.³ Although the cinema industry was in its infancy at the time of the World War, it contributed materially to the propaganda of the time. Many an American audience had its convictions strengthened as it witnessed scenes depicting the capture of New York by a German invading force and the mistreatment of civilians, especially women, by leering monocled villains in German uniforms. Since the War, the invention of sound pictures has increased the effectiveness of this agency for propaganda purposes a thousandfold. Through censorship, import prohibitions, and production control, a government can force its citizens to see exactly what, and only what, it wishes. More than this, it can attempt to influence foreign opinion by causing certain pictures to be made chiefly for export purposes. Unquestionably, such anti-Nazi films as "Professor Mamlock," which have been distributed abroad by the Soviet makers, have had some influence in forming opinion. So, too, have such private American ventures as "Confessions of a Nazi Spy." In recent years particular importance has come to be attached to newsreel and the so-called "documentary" films. Their influence on opinion formation is undoubtedly great because, unlike feature pictures, their portrayal is accepted as a plainly factual record of events. The spread of small theatres presenting short programs confined exclusively to pictures of this type has tended materially to enhance their importance.

The radio is unquestionably the most important modern device now at the service of propagandists in all countries. A brief two decades have sufficed for its transformation from a scientific curiosity to a highly perfected instrument which has become almost a household necessity in most civilized countries. Thanks to the recent development of short-wave broadcasting, a program placed on the air by a single powerful station may be heard clearly in the most distant corners of the earth. So rapidly have consumers responded to the appeal of modern radio broadcasting that, by 1938, approximately 82 per cent of all American families owned at least one radio, and it was estimated that the total number of sets in active use in this country reached the amazing total of 37,000,000.⁴ Although the number of receiving sets in proportion to the total population is much smaller elsewhere, sales continue to mount rapidly and the scope of existing receiving sets has been enlarged in some countries by the use of special loud-speakers mounted in city streets and factories by government engineers whenever it is desired to carry a particular program to the entire population.

The chief difference which sets off the radio from motion pictures and the press as an instrumentality of propaganda is the ease with which it may be utilized and the difficulty with which it can be combated. Customs

³ *World Almanac* (1939 ed.), p. 414. R. S. Lambert, *Propaganda* (London, 1939), p. 61.

⁴ *Ibid.*, pp. 430-31. See *supra*, chap. VII.

guards can stop publications and films at a frontier so effectively that only a thin trickle of forbidden literature or films can enter a forbidden area. Not so with the radio. There are no frontiers to the air, and a government decree forbidding citizens to listen to certain programs can scarcely be enforced with any degree of efficiency.⁵ To be sure, reception of a particular program can be destroyed by deliberate local interference, but this is a two-edged sword, for other stations can retaliate with quick effectiveness.

THE PROBLEM OF GOVERNMENTAL CONTROL

Broadly speaking, the governments of most democratic states exert comparatively little control over the press in time of peace. Newspapers are free to speak without governmental permission and foreign correspondents are free to send out their dispatches without any form of governmental censorship. The current trend, however, seems to be definitely in the other direction. One student of the press has reached the conclusion that, by 1930, there were only twelve countries in which this kind of absolute press freedom could be said to exist. These were the United States, Great Britain, France, Switzerland, the Netherlands, Denmark, Norway, Sweden, Canada, Australia, New Zealand, and South Africa.⁶ In all other countries he found evidences of serious governmental control over most or all the important news channels. Moreover, it is doubtful whether the press is now completely free in the countries listed above. Some countries, such as France, have special laws governing certain types of publications, notably those appearing in a foreign language. This power has been used in recent years to interfere with the activities of the autonomist groups in Alsace-Lorraine. Also, one must bear in mind the inevitability of the indirect controls possessed by every government. Newspapers are compelled to cooperate with government officials because if they fail to do so, their future sources of information may be cut off. Consequently, a suggestion concerning news treatment may be quite enough to produce the required result. This does not mean that the press is always subservient to a hint from a high official source, but it does suggest that, in the nature of things, a government can exert a varying degree of informal control over a legally free press.

A second governmental power is derived from the fact that in almost every country of the world except the United States the entire system of

⁵ At the beginning of hostilities the Nazi government issued a decree, 1 September 1939, forbidding Germans to listen to foreign broadcasts. A prison term faced the violator of this order and the death penalty was authorized for those who disseminated information which had been so received.

⁶ R. W. Desmond, *op. cit.*, p. 142.

international communications is under monopolistic governmental control. Despite the obligations to keep the channels open, which have been laid down by international agreement, governments can influence the quality and quantity of messages which are transmitted. As Professor Desmond has said:

And even in peacetime, while lines of communication are not cut, governments do delay messages filed for transmission, and sometimes "kill" them entirely. Messages are garbled with a purpose, or changed. Telephone lines are out of order, connections are granted only on condition that the news message meets official approval, or connections are poor when it pleases the government to have it so, although all bad connections are not, of course, to be attributed to any such cause.⁷

Press control by the totalitarian states is fairly simple, direct and complete. News agencies are semigovernmental and all the newspaper publishing companies which are permitted to operate must reflect with mirrorlike fidelity the general governmental point of view. This result is ensured by several devices. Ownership of the newspaper must be in loyal party hands and editorship is brought to the level of a public function by a law or decree which establishes the desired criteria for those who would be editors.⁸ Further, daily instructions are issued to all publishers informing them what news to suppress, what to feature, and what to print in an obscure place without comment. Under such circumstances, the press becomes the primary agency for the dissemination of governmental propaganda. It is, as Dr. Goebbels has said, "a piano" upon which the government may play at will.

Governmental controls over the other modern instrumentalities of propaganda can be dismissed with brief comment. In democratic states, film controls are primarily those of censorship, although the governments do manufacture some films directly, and it is charged that an informal type of control is exercised by the ability of the government to grant or to withhold permission to use any governmental facilities, including military, naval, and air forces, in the manufacture of ordinary films. Specifically, it is alleged that in return for the use of such facilities film producers will agree to coöperate with a general governmental program. But this is of minor importance in comparison with the direct censorship of undesirable foreign films.

In the United States, radio remains under private ownership and operation, subject to licensing controls vested in the Federal Communications

⁷ *Ibid.*, p. 151.

⁸ E.g., the German Press Law of 7 October 1933.

Commission.⁹ In virtually all other countries broadcasting is a governmental monopoly, and the stations are owned and operated directly by the government or by a government-controlled corporation. In Great Britain, the British Broadcasting Corporation is privately owned but its profits are regulated and it is administered by a board of governors appointed by the Postmaster General. The corporation is required to broadcast anything which the government may request. In Germany, the Ministry of Propaganda and Public Enlightenment owns and controls all broadcasting. As in Great Britain an annual license fee is collected from all owners of receiving sets. In Italy, broadcasting is a private monopoly under rigid control of a special supervisory commission closely connected with the Under-secretariat of Press and Propaganda. Elsewhere the same general situation obtains.

PROPAGANDA AND CENSORSHIP IN WAR

The possibilities of propaganda as a weapon for use in international affairs were never fully realized until the war years of 1914-1918. Although radio and the motion picture were still in their infancy, the press was a fully developed weapon. By this time there existed a large group of men who had mastered the technique of applying the results of modern psychological research to the breaking down of consumer resistance. These skilled publicity experts had learned how to appeal to masses of people in order to secure a desired response. Hence adequate tools were available and there were skilled manipulators to use them.

After the beginning of hostilities in 1914 the various belligerents did not appear immediately to realize the immense support which skillful propaganda could bring to their cause. At first, the warring governments limited their interest in this direction to the establishment of a rigid press censorship, issuing to the press only such military news as had been approved by the authorities. It was not long, however, until the governments concerned began to realize the immense possibilities of warfare on the psychological front and they soon began to coördinate and assist the efforts of private organizations which had come into existence quite spontaneously.¹⁰ The famous French *Maison de la Presse* was established by Briand in 1916, while in Britain the War Propaganda Bureau that had been set up late in

⁹ This licensing control does not involve any continuous censorship over radio programs. According to the acting chairman, the Commission "has no desire, purpose or intention of setting itself up as a board of censorship."

¹⁰ Complete censorship over all types of communication was established by France and Great Britain prior to the actual initiation of hostilities against Germany in September 1939.

1914 was transformed and expanded by Lloyd George in December 1916 into the official Department of Information headed by Colonel John Buchan (the late Lord Tweedsmuir). By the time the United States entered the War the importance of propaganda was so clearly recognized that eight days after the war declaration President Wilson signed an executive order creating a Committee on Public Information with Mr. George Creel as Chairman.¹¹

Although no detailed survey of the methods used in spreading war propaganda can be given here, it should be pointed out that the general nature of propaganda in the World War—as in any future war—had three chief objectives: to strengthen support at home, to win support from neutral countries, and to weaken the morale, and, hence, the military effectiveness, of the enemy.¹²

Home support was strengthened by two types of appeals: those which stressed patriotism and those which stressed fear. A flood of pamphlets explained the origins of the War to the citizens of each country and pointed out in great detail how the government and its allies had striven valiantly but vainly to maintain peace and to prevent actual recourse to arms. The guilt of the opposing states in forcing war upon the reluctant home government was emphasized by the publication of the famous “colored books” containing carefully selected portions of the diplomatic correspondence between the two sets of powers during the crisis that followed the delivery of the Austro-Hungarian ultimatum to Serbia. Motion pictures, speeches, and every conceivable device were used to stir up the patriotic emotions of the people, to stifle any possible criticism of the War, and to keep public opinion in such a state of patriotic exaltation that it was prepared to undergo endless sacrifice in order to realize the high ideals which were being jeopardized by a brutal and ruthless foe. In the Allied countries the War was portrayed as a struggle of civilization against barbarism and the word, “Hun,” was used to denote the enemy. By an Allied victory the world was to be made “safe for democracy.” The War became a holy crusade against the forces of darkness. Likewise, the Central Powers urged their citizens to resist to the bitter end the selfish attempt on the part of the Allies to encircle and to stifle a great and brave people who sought only their rightful and fair “place in the sun.”

¹¹ On propaganda organization and techniques, see G. G. Bruntz, *Allied Propaganda and the Collapse of the German Empire in 1918* (Palo Alto, Calif., 1938); J. D. Squires, *British Propaganda at Home and in the United States from 1914 to 1917* (Cambridge, Mass., 1935); H. Thimme, *Weltkrieg ohne Waffen* (Stuttgart, 1932); Hansi et Tonnelat, *A Travers les lignes ennemis, Trois années d'offensive contre le moral Allemand* (Paris, 1922); and G. Creel, *How We Advertised America* (New York, 1920).

¹² For an extended discussion, see H. D. Lasswell, *Propaganda Technique in the World War* (New York, 1927), *passim*.

An appeal to fear was another means used to achieve this same public discipline to insure a steel-strong morale. Citizens were told that an enemy victory would mean the extinction of the state. Property would be destroyed, wealth confiscated, and the helpless populace would be at the mercy of a savage foe free to indulge to the limit his natural propensities toward spoliation, torture, and rapine. Although this note was sounded by official speeches and publications in all countries, it was featured particularly in the propaganda work of the private and quasi-official patriotic organizations which sprang up like mushrooms everywhere. A trustee of the American Defense Society warned the American people to remember that

Over conquered peoples, Hun cruelty and rapacity knows no bounds. Mercy and compassion for human innocence and suffering are utterly unknown to the Germans of Germany. If Germans now should capture any American city, they would rob its banks, rape its women, carry off as much as possible of its most valuable property, and then destroy all the rest. When the Huns finally are driven from Belgium and northern France, every city that they evacuate will be destroyed by fire and explosives. If you doubt this, watch Liege, Brussels and Antwerp when the lepers go! ¹³

Unquestionably the most successful of all the fear appeals was the atrocity story. The press was filled with accounts of German "frightfulness," and as the average citizen read of the bayoneting of babies, the mutilation of women and children, and the crucifixion of helpless prisoners, no further suggestion was required in order to set his imagination at work picturing the horrors of the scene if his own country should become another Belgium. This fear stimulus was designed to strengthen military as well as civilian morale. One of the world's supreme propagandists has admitted that

. . . the war propaganda of the British and the Americans was psychologically right. By introducing the German as a barbarian and a Hun to its own people, it thus prepared the individual soldier for the terrors of war and helped guard him against disappointment. The most terrible weapon which was now being used against him then appeared to him only as the proof of the enlightenment already bestowed upon him, thus strengthening his belief that his government's assertions were right, and on the other hand it increased his fury and hatred against the atrocious enemy.¹⁴

The concentration of propaganda activities upon neutral countries was another development of striking importance in the World War. While the Central Powers were still striving to smash through to quick victory, the Allies had become fully cognizant of the ultimate importance of neutral

¹³ W. T. Hornaday, *Awake! America* (New York, 1918), p. 77. Published under the auspices of the American Defense Society.

¹⁴ Adolf Hitler, *Mein Kampf* (New York, 1939), p. 235. Reprinted by permission of Reynal and Hitchcock, Inc., publishers.

opinion and made extensive efforts to control it in such a way as would be favorable to their cause. Books, pamphlets, posters, personal letters, and every conceivable type of material poured into the mails from the propaganda headquarters in the Allied capitals. Inevitably, there was a great concentration of attention upon America, where sentiment was rapidly hardening in favor of the Allies. One student has classified British propaganda in America under the following heads:

First, the militarist ideal in German life with its contempt for arbitration and its malice aforethought toward neutral Belgium.

Second, the war policies of imperial Germany and a comparison of these "damnable practices" (atrocities, deportation of workers, submarine warfare, etc.) with Allied methods.

Third, a comparison of British colonial methods with German methods.

Fourth, the idealistic war aims of the Allies in contrast with the German motives for opposing the new world-order.

Fifth, Great Britain's friendship for the United States described in the phrase "hands across the sea."¹⁵

To put the matter in another way, the World War propaganda, as it was focused upon neutral countries, was designed to win sympathy and, possibly, new allies. It did so by appealing to idealism and fear. Special attention was given to group interests in the neutral states. Jews were offered the Balfour plan for a Palestinian homeland. Emigrant groups were encouraged by promises of support for a program of self-determination for their struggling compatriots at home in central Europe. Intellectuals were promised a new world order in which the specter of war might be banished forever through effective international organization. Christian aid was invoked in order to save civilization and, specifically, by the assurance that Turkish misrule over Christian minorities in the Near East would be terminated forever. To believers in democracy was held out the hope that the War would bring about the downfall of the Hohenzollern and Hapsburg monarchical systems. There was something for everyone.

During the World War propaganda designed to weaken the enemy and bring about his surrender reached new heights. Materials bearing the messages of the Allies were placed in the hands of German soldiers and civilians by every means which human ingenuity could devise. Balloons and airplanes were used extensively and the Allies even experimented with the firing of guns loaded with leaflets instead of shells. Soldiers were supplied with all the military "information" which the censorship of their own high command kept from their eyes. Desertion and mutiny were encouraged by

¹⁵ R. H. Lutz, "Studies of World War Propaganda," *Journal of Modern History*, December 1933, cited in J. D. Squires, *op. cit.*, p. 69.

what has been aptly called the "propaganda of despair." This stressed the uselessness of the sufferings and the sacrifices of the soldiers and bade them think of their starving children at home. Disunity was encouraged by appeals to the particularism of the Bavarians and to the open antipathy of the natives of Alsace-Lorraine, while the subject nationalities of the Austro-Hungarian Empire were incited to resistance and even revolution by the skillful invocation of the doctrine of "self-determination."¹⁶ Toward the end of the War these appeals began to bear fruit everywhere and their part in bringing about the final collapse of the Central Powers was admitted even by the German leaders themselves. Both at home and abroad the German propagandists were continually on the defensive and it is not surprising that, almost from the first, their vehement denials were received with a scepticism which continued to grow until virtually all their propaganda efforts came back boomerang-like to injure their own cause.

German experience during the World War and Japanese experience with American opinion since 1937 provide excellent illustrations of one salient truth concerning war propaganda directed toward a neutral people. Such propaganda must be extremely skillful and it must at all times avoid a defensive position. Once opinion in a neutral country has hardened against a belligerent, further propaganda from that country must be so carefully disguised that it never assumes a defensive tone. If it does, there is every likelihood that its effect will be to crystallize the unfriendly opinion still further. This danger may be illustrated by the opening paragraphs from a recent Japanese brochure distributed widely throughout the United States:

How about giving Japan a break?

The sensational and blood-curdling news broadcast by those masters of propaganda, the Chinese, have given Japan a trying time the world over.

The Japanese have tried to show the truth in a dignified way, with that natural restraint of theirs, by prim, starched sorts of statements and declarations which have had very little effect against the insidious fabrications playing on American sympathy.

What about checking on these news reports with a more critical eye?

Those news reports certainly were shocking news!

Some of them were really too melodramatic to be true.

Some reports were proved to be downright falsifications.

Many were found to be hysterical flights of imagination; others, sensational sob-sister write-ups.

But the impression was created that the Japanese were a "heinous gang of bloodthirsty villains."

You wouldn't like to be called that, would you?

Neither do the Japanese.¹⁷

¹⁶ G. G. Bruntz, *op. cit.*, chap. 4.

¹⁷ Japan-Pacific Association, *Japan-China Pictorial Primer. How About Giving Japan a Break?* (Tokyo, 1937).

To state this problem a little differently, war propaganda, like any other propaganda, can be most successful if it builds upon a potentially favorable public opinion. It can function satisfactorily if no active opinion of the subject exists, provided there is no fundamental predisposition against the point of view to be presented, and it can function best of all if the popular predisposition is in favor of the case to be presented. It is doubtful if it can operate successfully to break down and rebuild an opinion which has already crystallized. Thus, the problem of propaganda at home in wartime is relatively simple, for the basic groundwork in opinion formation has been laid long since by the conditioning effects of nationalistic indoctrination. Neutral opinion can be manipulated if enough effort is made, if the techniques are sufficiently skillful, and if the state of the public mind is still fluid. On the other hand, it is not certain that war propaganda can have any pronounced effect in weakening enemy resistance until the cumulative effects of the strain have begun to crack the morale of troops and civilians alike. As soon as loyalties begin to waver, doubts and questions arise, and the numbing sense of despair begins to creep over a people at war, then enemy propaganda will reap a rich harvest.¹⁸

Since the experience of the World War, no one has doubted the vital importance of propaganda as an aid to the successful prosecution of hostilities. The subject has been studied exhaustively in all countries and experts have prepared plans for a propaganda campaign with almost as much detailed care as military staffs have used in mapping their own strategy. Thus, in the undeclared war between Japan and China, the Japanese have dropped immense quantities of simple pictorial appeals from airplanes flying over Chinese territories. Both belligerents have gone to great pains to impress American opinion, though Japan has been in such a defensive situation that her efforts have had little or no positive success. Each power has stressed the brutality of the other by pictorial portrayals of civilian slaughter alleged to be the result of wanton massacre committed by the opposing forces. China has pictured Japan as a ruthless conqueror, imbued with a militaristic ideal, spreading death and destruction in a brutal effort to acquire imperial domination over a peace-loving and progressive people. In turn, Japan has attempted to create in the American mind the picture of a bewildered Chinese people oppressed by "the war lords who have harried and robbed them to put into motion their vast implements of death." The Red menace is the central theme of most Japanese propaganda. Accordingly, "China has joined hands with Soviet Russia and now the Bolsheviks are swarming from Moscow and are setting China afire with Communism. Japan is trying to put the fire out. Any nation or group of nations which deliberately interferes with Japan in her hour of great resolve is not

¹⁸ On the effects of Allied propaganda within Germany, see A. Hitler, *op. cit.*, pp. 243-59.

only putting itself in danger, but is aiding and abetting a crime of international magnitude.”¹⁹

When Great Britain and France declared war upon Nazi Germany in September 1939, it was at once apparent that the democracies did not for a moment underestimate the importance of propaganda. Realizing that there must be many elements of discontent and dissatisfaction within the Third Reich, the authorities in London and Paris set out to fan this discontent into sabotage and, if possible, into open revolt. The speeches of ministerial leaders—all carefully broadcast to Germany—emphasized that the democracies had no quarrel with the German people, but only a fixed determination to crush an intolerable tyranny which had chosen deliberately to throw the world into a bloody struggle. During the first day of this momentous struggle British and French airplanes flew over German towns releasing, according to press reports, more than 6,000,000 German language leaflets containing an appeal of this kind. The British Broadcasting Corporation also broadcast to German listeners a recording of an earlier speech of Chancellor Hitler in which the Nazi leader had disclaimed further territorial ambitions and admitted the necessity of a Polish corridor to the sea.

PROPAGANDA IN FOREIGN POLICY

The successful use of propaganda in the World War made a profound impression in many countries. Adolf Hitler has described at length how much this feature of Allied strategy, together with the clumsiness of German counterpropaganda, influenced his own thinking on party organization and statecraft. It was natural, therefore, that having enjoyed such amazing success with the use of this new weapon in his own meteoric rise to power, he should have decided to make full use of it in the conduct of Nazi foreign policy. So thoroughgoing was his application of this principle that propaganda became one of the most widely used instruments in the formation and execution of the Third Reich's foreign policy.

This does not mean, of course, that propaganda as a peacetime weapon was unheard of until the seizure of power by Herr Hitler and his band. Most governments take every available opportunity to build up a friendly feeling, particularly in those areas upon which the foreign policy of the state happens to be concentrated at the time. Mention has already been made of the Russian subsidies to the Parisian press in the prewar period. One may also recall the fact that the French government has maintained for twenty years a special section in the budget of the Ministry of Foreign Affairs allocating funds to *les Œuvres françaises à l'Étranger*. This money

¹⁹ Japanese propaganda leaflet, *Common Sense and the China Emergency*.

is spent chiefly in supporting French Institutes, French *Lycées*, and French charitable organizations in central Europe and the Near East. Since all these organizations aid, indirectly at least, "*à accroître le rayonnement français*," they must be regarded as a type of dignified propaganda. Other governments have followed similar policies.

These and other similar types of government propaganda in foreign countries seem crude and obsolete when compared with the "streamlined" refinements which have been developed by the totalitarian states in recent years. New forms have been introduced, new types of organization have been created, and new techniques have been perfected—with results which are familiar to every person who scans a newspaper or listens to a radio.

Through monopolistic control over the press within a country and the exercise of censorship over the news dispatches sent out by foreign correspondents, a government can exercise a powerful control over the news stories which appear in all foreign countries. The totalitarian states have their own semigovernmental news agencies, e.g., Tass in the Soviet Union and the DNB in Germany, and foreign news agencies which operate within these states are allowed to do so only if they will conform to official policies. Even where there is no official censorship these newsgatherers face the penalty of prompt expulsion from the country if their dispatches should arouse the ire of governmental officials. The Italian government has been particularly active in expelling undesirable foreign correspondents and, on a recent occasion, in closing the Rome office of the United Press because the latter reported an alleged illness of Signor Mussolini. In this way, by issuing "official" versions of happenings through governmental news agencies and by exercising strict supervision over foreign reporters, a government can have a profound influence over the character of stories concerning its activities which appear in foreign newspapers. The maximum of effectiveness is reached in dealing with the press of another state which is closely allied to the first state and which maintains full governmental control over its own press. The presentation of the official German and Italian points of view in the press of the other member of the Rome-Berlin Axis provides an excellent illustration of this point.

The extent to which domestic unity on questions of foreign policy can be built up and maintained by governmental press control is so obvious that extended comment is quite unnecessary. By a rigid exclusion of undesirable foreign newspapers from a country and by detailed dictation to the domestic press, a desired point of view can be presented and elaborated *ad nauseam*. When the Nazi government determined in 1939 to force Poland to consent to the reintegration of Danzig with the Reich, and to other frontier changes as well, the German press was immediately employed to stir up popular enthusiasm for this policy. The following excerpt from a

story filed by an American newspaper correspondent provides an illustration of the technique:

BERLIN, Aug. 8.—On direct orders from Berchtesgaden, where Chancellor Adolf Hitler received Albert Foerster, the Danzig Nazi leader, for a conference this morning, the German press today fired a violent word barrage from its heaviest propagandistic artillery, threatening to wipe Poland from the map with the mailed German fist if Polish quarters continued their "Criminal war agitation" and "brazen provocation" of either Danzig or the Greater German Reich. . . .

"Play With Fire," "High Water Mark of Polish Insolence," "Cheap Saber-Rattling in Warsaw," "Danger of Polish War Hysteria," and "Agitation on Orders from London and Paris"—these are some of the banner headlines in today's German press.

In vehement articles it denounces the Poles as "conscienceless fire-brands and criminals against peace" and the British and French as their accomplices.²⁰

Reference has already been made to the importance of motion pictures as agencies of propaganda in contemporary international affairs. For a variety of reasons, the cinema has been utilized rather more in building up domestic unity than in actual propaganda abroad. Foreign films which are considered undesirable are kept from the eyes of movie-goers. The Nazi government, for example, refused permission for the exhibition of "All Quiet on the Western Front," an American picturization of a postwar but pre-Nazi German novel. Rigid rules governing the types of films which may be manufactured and exhibited are established by the government, and exhibitors may be required to show certain films which are considered politically important. In this way Chancellor Hitler gave an order in August 1939 that a film depicting Germany's Westwall—the fortress system facing France—must be shown in every German movie house.²¹ On the other hand, the exportation of films defending a particular governmental policy or system meets with so many practical difficulties, linguistic and technical, that it has not as yet been widely utilized except by Soviet Russia. A number of pro-Communist, or rather pro-Stalinist, and anti-Nazi films have been distributed by the Soviet makers throughout many countries. Exhibition has been largely confined to large metropolitan centers where booking difficulties can be overcome.

A supplementary technique consists in the organization of sympathetic groups of persons living in a foreign country. Profiting by the example of the Comintern, Nazi officials have encouraged the formation of pro-Hitler "bunds" in all countries where there is a nucleus of coöperative German emigrants. These organizations are supplied with official advice and propa-

²⁰ *The New York Times*, 9 August 1939.

²¹ *The New York Times*, 9 August 1939.

gandist materials, and in some cases it seems certain that they have received financial assistance as well. Local leaders have been given special training in Germany. Encouragement of one sort or another is regularly given to organizations which, though nonemigrant in composition, are sympathetic enough to be of actual or potential propaganda value.²²

Of all these devices, the radio is the most spectacular and, quite possibly, the most effective. In recent periods of international tension—the occupation of Austria, the Munich crisis, and the invasion of Poland—the peoples affected were subjected to an almost continuous barrage of radio propaganda from high-powered Nazi broadcasting stations. Even before Hitler's advent to power the French government had constructed a broadcasting station in Brumath (Alsace) to provide German-speaking Alsatians with programs which would offset the effect of those they were receiving from Stuttgart. This inflammatory German radio campaign was preceded chronologically by the Soviets who for years had been broadcasting communist propaganda in every major European language. Ironically enough, however, the famous Nazi-Soviet radio warfare ceased abruptly in 1939 when the two states signed a nonaggression pact.

The recent development of short-wave broadcasting has provided governmental propagandists with a much larger sphere—the entire world—in which to exercise their talents. So rapidly has short-wave broadcasting grown that, today, all major powers and many of the minor ones possess powerful radio stations which can transmit programs literally to the ends of the earth. This has become so commonplace that many readers of these lines will have had the experience, perhaps almost nightly, of “tuning in” on all the major European capitals. Profiting by the perfection of the steerable narrow beam, a broadcast can now be focused upon a rather definite area. This permits the maximum efficiency of the broadcast because the program can be transmitted in the language of the area upon which the beam is focused. By establishing a regular schedule of these foreign language broadcasts a clientele of consistent listeners can be established.

As the war of conflicting ideologies progressed, it was inevitable that this magnificent weapon should have been placed at the service of the propagandist. The Nazis led the way by developing an extensive program of broadcasting in German, Spanish, and Portuguese to Latin America. At the present time the German beam to Latin America is operating nine hours daily, approximately half of the programs being transmitted in German, presumably for the special benefit of the Germans living in that area. Both the German and the Italian short-wave stations have been broadcasting inflammatory anti-British propaganda in Arabic to the Near East. In order

²² On this point, see *The German Reich and Americans of German Origin* (New York, 1938), *passim*.

to make this effort as successful as possible, the Arab listeners have been supplied with extremely low-cost receiving sets. Japan broadcasts daily in English, French, German, Spanish, Portuguese, Dutch, and Chinese.

To combat these activities, powerful stations in Great Britain, France and the United States now broadcast to these same areas. The British Broadcasting Corporation has endeavored to counteract the effect of fascist radio propaganda by an extensive twenty-two hours a day program of its own, while powerful American stations have complete coverage over all Latin America. One of these, the International Division of the National Broadcasting Company, now broadcasts 112 hours a week (in Italian, German, French, English, Spanish, and Portuguese) on the Latin American beam. The same company carries a full program in English, French, and German on a European beam which has full continental coverage. The Latin American beam of another American broadcasting company was "blanketed" by a recent increase in power by a German government station. To combat this, the American company has recently completed a 100-kilowatt "Big Bertha" transmitter which will ensure Latin American reception despite German disturbances.²⁸

The development of short-wave broadcasting is so recent and the number of receiving sets is as yet so restricted that no one can predict with any confidence the actual importance which this new type of propagandist equipment will assume. Since, however, it offers a convenient means of placing a particular point of view directly before millions of persons in foreign lands—a means which cannot be easily counteracted or destroyed—it seems obvious that it will have a permanent effect upon the conduct of international relations almost as much in peace as in war. These modern developments have multiplied the fronts upon which the modern struggle of power politics is conducted. To the diplomatic and military instruments, we must now add the economic weapon (impressively demonstrated by the creation of a British Ministry of Economic Warfare immediately after the declaration of war against Nazi Germany in 1939) and the weapon of propaganda. All these powerful agencies can be used almost with equal facility to wreck civilization or to assist in building a world order in which the horizons of opportunity and freedom for the individual will be extended a thousandfold. Misused, these instrumentalities can destroy their makers. Properly employed, they provide a key to a brighter future for all mankind.

²⁸ *The New York Times*, 4 July 1939.

V

THE STRUGGLE TO ORGANIZE PEACE

XX

DIPLOMACY AND PACIFIC SETTLEMENT

THE QUEST FOR PEACE

For centuries the quest for peace has stirred the imagination of mankind. From ivory tower philosophers and practical idealists alike has come a plethora of plans for banning war from the family of nations. The more grandiose and utopian of these schemes have typically projected some sort of world federation. Although until well into the nineteenth century this speculative pursuit of peace remained the concern of social visionaries rather than of men of affairs, some of the early proposals are significant as prototypes of more recent thought on the nature and possibilities of world organization.

Historically, the idea of international federation dates back to the Middle Ages. Although basically wedded to the imperialistic idea, the Italian poet Dante had at least a glimmering of the possibilities of "equalitarian" world unity. A contemporary of Dante, the French legist Pierre Dubois, published in 1305 a scheme for a temporal union of European princes under the suzerainty of the King of France, with a view to coöperative action against the infidel Turk. As feudalism gave way to national monarchy, more elaborate plans for leaguering national states together appeared. In 1623, a French monk by the name of Emeric Crucé proposed a far-reaching plan for the union not only of European states, but of China, Persia, and India as well—a union in which the members would preserve peace by the use of arbitration, periodic conferences, and a world court. The "Grand Design" of the French monarch Henry IV, described in the memoirs of his minister, the Duc de Sully, contemplated the division of Europe into some fifteen powers which would collaborate through a general council modelled somewhat after the Amphictyonic Council of the ancient Greeks.¹ Toward the end of the seventeenth century, William Penn set forth an ingenious

¹ The Duc de Sully's *Memoirs* were published in four volumes, the first two appearing in 1634 and the other two after his death in 1662. The systematic account of the "Grand Design" comes at the end of the fourth volume, although there is occasional reference to it in the earlier volumes.

scheme for the creation of an all-European parliament in which representation and voting strength were to be based upon national wealth.² A principal function of this parliament would be to adjust territorial disputes, which, in Penn's mind, constituted the chief cause of war. If any state refused to abide by its decision and resorted to force, the combined strength of the remaining states would be sufficient to check the lawbreaker and prevent war. Far from receiving any serious attention from the governments of his day, Penn's scheme, like its predecessors, fell upon stony ground.

Such was also the fate of the plans produced by eighteenth-century speculation. The first of these was Abbé Saint-Pierre's *Project of Perpetual Peace*, which he submitted to the French minister Fleury at the time of the Conference of Utrecht (1713). The Abbé proposed an alliance of states for the joint guarantee of the territorial and political *status quo* of its members. In the city of Utrecht, the latter were to keep permanent agents who would collectively constitute an assembly empowered to act by majority vote, even to the point of imposing forcible penalties upon violators of the assembly's edicts. Nearly fifty years later (1761), Jean Jacques Rousseau, taking the Abbé's project as point of departure, developed a plan that went further along the road of European confederation. In his essay entitled *A Lasting Peace Through the Federation of Europe*, the Geneva philosopher proposed that a permanent congress of European powers be created in which each participating state would have one vote. Behind this congress, argued Rousseau, there ought to be a "perpetual alliance" based upon a formal treaty. The provisions of this treaty should confer upon the congress, by a three-fourths vote of its members, the power to formulate general rules of law. Any state disregarding the treaty would be branded as the enemy of all the others and punished by imposition of their aggregate military force.

Toward the end of the eighteenth century, the great English legal reformer, Jeremy Bentham, to whom is attributed the first use of the term "international," published his famous treatise on the *Principles of International Law*. In sharp contrast with earlier peace advocates, Bentham gave particular attention to the importance of economic relations, national armaments, and colonial imperialism as *causes* of international conflict. War could be prevented, so he contended, only if states effectively agreed to remove trade barriers, reduce armaments, and abandon colonial possessions. In order to enforce such agreements Bentham suggested that a "tribunal of peace" be set up with power to deal with recalcitrant states. Bentham's thinking was obviously influenced by the "free trade" ideas of Adam Smith and the emerging *laissez faire* school of economics. Unfortunately, his hope that free trade and colonial emancipation might become the basis of a

² See *An Essay toward the Present and Future Peace of Europe* (1693).

lasting international peace proved to be as premature as his proposal for the abolition of secret diplomacy.

The last but by no means least interesting peace plan prior to the nineteenth century emanated from the mind of the distinguished German philosopher, Immanuel Kant. Kant's famous essay, *Toward Eternal Peace*, which appeared in 1795, contains the essence of his ideas. Kant believed that, in the last analysis, peace depended upon the adoption of republicanism as a universal form of government for states. Consequently, his approach to the peace problem contemplated the establishment of republican constitutions by interstate agreement, along with a world citizenship, non-interventionism in the affairs of other states, and the progressive abolition of standing armies. If all states could be brought into voluntary union, Kant thought that their differences might be resolved by legal processes and that resort to force would gradually disappear.

It is needless to say that none of the pre-nineteenth-century peace schemes had any practical effect upon the course of international politics. Interested parties to the struggle for power in Europe (as well as for overseas colonial dominions), the national rulers of early modern times gave little heed to the "brainstorms" of pacifistic idealists. World politics continued to develop within the framework of recurring war and world organization remained a subject for utopian thinkers to play with. Nonetheless, the dream of universal peace persisted. In proportion as nineteenth-century civilization became interconnected commercially and technologically, agitation for international organization grew in scope and intensity. In Anglo-Saxon countries, especially, numerous private peace societies were formed. By the end of the century, the professional peace advocate had come to play a not inconsiderable part in the moulding of popular opinion—at any rate in Britain and the United States. Moreover, as indicated earlier, a piecemeal international organization actually took shape in the domain of communications. While such agencies as the postal and telegraphic unions did not in any sense touch those questions of "sovereign" importance that cause war, they at least marked a recognition of the fact that sustained international coöperation on certain matters could yield reciprocal advantage to all nations alike without compromising their independence.

With this background in mind, we may now look more closely at what was happening in the practice of international diplomacy. Although the hundred years that began with Waterloo and ended with Serajevo have time and again been characterized as a period of "international anarchy," the fact remains that no *general* war occurred during this century. Perhaps it is this fact that partially explains the very substantial progress made during the period toward the development of procedures for the amicable adjustment of international controversies. To be sure, the embryonic peace

machinery of the Victorian era proved inadequate to resolve the crisis of 1914. Yet when one considers how rapidly the points of contact, and therefore of conflict, were multiplying, the peaceful settlement of a long succession of diplomatic "crises" prior to the World War suggests that the nineteenth-century peace "system," if it may be called such, should not be dismissed as wholly futile. Whatever its shortcomings, and they were glaring, it represented an important stage in the uphill effort of mankind to "organize" peace. Moreover, as we shall see in the next chapter, it provided the experimental foundations upon which the League system was constructed. At the international (no less than at the national) level, institution-building is a continuous process, broadening out, as the lawyers would put it, "from precedent to precedent."

DIPLOMACY BY FORMAL CONFERENCE

For the consideration of particularly critical situations, involving more than two nations, a "full dress" conference of special representatives may supplement or replace negotiation through ordinary diplomatic channels. Historically, the formal international conference is older, even, than the modern state system. The earliest instances of its use go back to the Middle Ages. By the seventeenth century it had become customary to formulate terms of peace after major wars by convening the plenipotentiaries of the belligerent states in a "peace" conference. Indeed, it was at the first of these great peace congresses, held at the close of the Thirty Years' War, that the transition from medieval empire to the "sovereign" state system was officially signalized. Following the precedent then set, a long line of international conferences have met to make peace after war. In connection with these "war" conferences, as they should perhaps more properly be called, there evolved an elaborate etiquette. At the earlier conferences, such questions as how the envoys should be addressed, who should have precedence, and what language should be used, often delayed the conduct of negotiations interminably.³ Nor did the ending of a war ordinarily afford a favorable setting for the development of methods by which disputes might be adjusted prior to and without recourse to war.

³ During the negotiations culminating in the Peace of Westphalia, "the difficulty of answering these questions was so great that negotiations were carried on at two places—Munster and Osnabrück—which were separated by thirty miles. At one place the French plenipotentiaries had precedence; at the other place the Swedish representatives were honored." L. Rogers, *Crisis Government* (New York, 1934), p. 144. For detailed treatment of the procedure of international conferences, see Norman L. Hill, *The Public International Conference* (Palo Alto, Calif., 1929), and F. S. Dunn, *The Practice and Procedure of International Conferences* (Baltimore, 1929).

It was not until the nineteenth century that the diplomacy of peace reached the international conference table. The Congress of Vienna may be considered the starting point for conferences of this sort. At Vienna the coalition of Powers that had conquered Napoleon hoped to "guarantee" the peace settlement by arranging for joint consultation and common action whenever its provisions were subsequently threatened. Although this guarantee plan had to be abandoned because of British opposition, the General Act of Vienna did provide that no change in the *status quo* should be agreed to without consultation. Each signatory Power was accorded the right to propose a conference if it felt such procedure advisable. This arrangement became the basis for the so-called "Concert of Europe" which operated in sporadic fashion during the following century. Castlereagh, who presided over the British Foreign Office at the time of Vienna, had the idea of using the periodic conference technique as a means of assuring constant personal contact between the statesmen of the Great Powers. He favored consultation at frequent intervals with a view to short-circuiting the processes of ordinary diplomacy. During the years 1815-22 four Great-Power conferences were held under the auspices of "The Concert."⁴ Meanwhile, however, the reactionary objectives of three of the participating Powers—Russia, Prussia, and Austria—were mobilized by the mystical genius of Tzar Alexander I into a "Holy Alliance" for the suppression of all threats to the established political order, internal or otherwise. Under Metternich's masterful direction, this Alliance intervened to check liberal revolts in a number of lesser European states—Naples, Spain, and Piedmont. When it appeared that the Holy Alliance might extend its sphere of intervention to Latin America, where the Spanish colonies had declared their independence, Great Britain would have nothing further to do with it. Instead, Canning, the British Foreign Minister, threw the weight of Britain's power behind the policy of "America for the Americans" enunciated in 1823 by President Monroe. As a political force in Europe, the Holy Alliance had virtually ceased to count by the time of the French and Belgian revolutions of 1830, while the upheavals of 1848 administered a death blow to the Metternich system of reaction.

The notion of a European concert, however, long nourished "the theory of a community of European nations." Although the major powers failed to develop any machinery for periodic consultation, they did meet intermittently in conference to deal with certain situations which brought their interests into collision. Thus the powers acted jointly in recognizing the independence of Greece in 1829 and in neutralizing Belgium a year later. After the Crimean War, they convened in Paris to tighten up the "rules"

⁴ At Aix-la-Chapelle in 1818; at Troppau in 1818; at Laibach in 1821; and at Verona in 1822.

of maritime warfare, this conference resulting in the famous "Declaration of Paris." Again, in 1878, the Congress of Berlin met to consider the so-called "Eastern Question," caused by the rapid disintegration of Turkish control in the Balkans. The scramble for African territory gave rise in 1885 to a second Berlin Conference at which it was agreed that commerce and navigation in central Africa should henceforth be "free," that the sale of slaves be prohibited, and that in the future each state should give notice of its intention to occupy African territory. In 1890, a further conference on the evils of the African slave trade convened at Brussels. At Algeciras, in 1906, the major powers (including the United States) formulated an international scheme for the control of Morocco—a scheme strongly favoring French interests. The last conference under the declining aegis of the Concert met at London, in 1912-13, after the Second Balkan War. Even if this final effort failed to keep the smaller powers from fighting, it did manage to avert a general European war—at any rate for the time being.

As an instrumentality of pacific settlement, not only did the nineteenth-century system of limited coöperation by special conference lack institutional continuity, but it was not animated by sufficient solidarity of purpose to resolve major conflicts of Great Power interest. There was no permanent agency with authority to convene conferences in periods of high tension. One or more important powers could usually block any initiative taken by the others. Or, if a conference was actually agreed upon, certain states could insist, as a condition of their participation, upon the exclusion of vital questions from the agenda. Ordinarily, there was little or no "small state" representation in such conferences. Nor was there any orderly way in which the legal *status quo*, relative to boundaries, territorial jurisdiction, or economic relationships, might be modified short of the unanimous consent of all states concerned. It was precisely in these provocative clashes of "high politics" that such consent was psychologically most difficult to obtain.

While no enduring peace organization emerged from the nineteenth-century conference "system," international coöperation along nonpolitical lines did, as indicated in Chapter VIII, make steady progress during the fifty years prior to the great disaster of 1914. Despite commercial and territorial rivalries, the family of states successfully employed the technique of conference to establish numerous public administrative unions, as well as to "humanize" somewhat the conditions of warfare. Public international conferences multiplied at a rapid rate—over 400 were held during the fifty years preceding the War—but when the supreme test came in the fateful summer of 1914, organized diplomacy broke down completely. Notwithstanding the frantic eleventh-hour efforts of Sir Edward Grey to induce the rival powers to consider the Austro-Serbian dispute around a common conference table, events moved on to tragedy. Whatever will to peace there

may have been was frustrated by the absence of adequate peace machinery, let alone the other explosive elements in the situation.

MEDIATION AND CONCILIATION

It would be inaccurate, however, to conclude that, because direct diplomatic negotiations failed to preserve peace in 1914, the preceding century had brought no important advances in the development of other procedures of pacific settlement. Such is by no means the case. A whole series of procedures, ranging from good offices, mediation, and conciliation on the one side, to arbitration and adjudication on the other, had come into play and worked successfully in an impressive number of cases.

These procedures may conveniently be considered in terms of the degree of neutral "umpiring" by which they are controlled. Broadly speaking, they fall into two main categories. The first group, which includes the tender of good offices, mediation, and conciliation, is based upon friendly *persuasion*. The second group, embracing arbitration and adjudication, differs from the first in that the parties in controversy *commit themselves in advance* to accept the recommendations of some such neutral body as an arbitral board or court. Let us briefly examine how each of these procedures works, beginning with those that depart least from the framework of ordinary diplomacy.

When direct negotiations appear to be breaking down, or have actually been followed by resort to force, a third state may undertake a friendly intervention in the affair. If such intervention, which may result from a request made by one of the disputant parties or may be entirely unsolicited, is confined merely to a diplomatic inquiry as to whether the intervening state may be of service, the action is known as the tender of "good offices." The third state, for example, may suggest a neutral meeting place where it has reason to believe that negotiations can be resumed in a more favorable atmosphere. Such was the nature of President Theodore Roosevelt's successful effort in 1905 to bring the Japanese and Russians together in a peace parley at Portsmouth, New Hampshire, under the neutral "presidency" of the United States. If the tender of good offices is accepted by both sides, it may be followed by active mediation, as in the case cited above. In this event, "the third party takes up for consideration the substance of the dispute itself and attempts to discover a solution. . . . The mediator enters into much more intimate relations with the nations in dispute than does the party who merely extends good offices."⁵

⁵ P. B. Potter, *An Introduction to International Organization* (4th ed., New York, 1935), p. 115.

The mediator's rôle, however, is confined strictly to the transmittal of suggestions. While representatives of the mediating government may meet with representatives of the disputant states,⁵ the success of mediation depends entirely upon the ability of the mediator to induce the two parties to accept the suggested terms of settlement. To accomplish this end, the mediating state must have the confidence of both parties. If its motives are suspected, it has little chance of bringing the disputant parties into harmony. So it was, for example, with Napoleon III's ill-fated attempt to mediate between the North and South during the American Civil War. If the mediator's suggestions are rejected, his function ceases. Good offices may pave the way for mediation, but neither procedure can force a settlement, regardless of whether it is invoked before or during a war. During the first weeks of the World War, President Wilson offered the good offices of the United States government in the hope that he might be able to mediate between the Triple Entente and the Central Powers. Although the sincerity of his motives was not questioned, the die had already been cast and his appeal was unsuccessful. On the other hand, the United States has successfully mediated in a number of disputes involving Latin-American States—chiefly, however, *after* the outbreak of hostilities rather than *before*. "It was under American good offices, for example, that Spain's war with the Pacific Coast republics of South America (1864-71)—Ecuador, Peru, Bolivia, and Chile—came to a legal end long after actual hostilities had ceased."⁶ In 1918, Switzerland used its good offices in helping to arrange the conditions for the Armistice that terminated four years of fighting in the World War.

At the First Hague Conference of 1899, the signatory powers agreed to encourage friendly third powers to mediate, as well as to offer such services themselves. The exercise of this right was not to be regarded by the parties in conflict as "an unfriendly act." In order to improve the chances of this form of intervention, the Hague Convention carefully limited the duty of the mediator to that of reconciling opposing claims by offering advice only, and declared that it should be considered as having ended upon the declaration either of the mediator or of one or both contestants.

Similar to good offices and mediation, but going a step further, *conciliation* constitutes another variant of pacific procedure based upon persuasion. When conciliation is used, the disputant parties ordinarily agree to have the controversy investigated by a more or less neutral agency. This agency may be some disinterested government. More frequently, however, a special board or commission is set up for this purpose. Each party to the dispute appoints an equal number of representatives to sit on this commission, on which there may or may not be a neutral "umpire." If there is such an umpire, he is always a national of some state having no direct interest in the

⁵ S. F. Bemis, *A Diplomatic History of the United States* (New York, 1936), p. 756.

matter at hand. The functions of the commission are typically limited to an examination of the facts, including, in some instances, the taking of evidence "on the spot," and the issuance of a report. The commission operates as a quasi-judicial body and arrives at its conclusions by majority vote—if need be. The parties concerned, however, do not bind themselves to abide by its recommendations. Conciliation, therefore, is really "nothing but mediation in essence," the difference being that a more thorough analysis of factual evidence is likely to result from a special investigating agency than from the efforts of mediating governments. Since the members of such commissions are usually chosen for their expert competence to handle the subject matter in question, their recommendations, more often than not, represent a consensus of opinion.

Conciliation by means of commissions of inquiry was successfully utilized in a considerable number of boundary disputes during the generation preceding the World War. Among them was the famous Alaskan boundary controversy between the United States and Great Britain, which, after many years of futile negotiations, was settled in 1903 by a "mixed" commission of three Americans, two Canadians, and one Englishman. While the recommendations of this commission were in no sense binding, they proved acceptable to the two governments. The possibility of extending the sphere of conciliation led The Hague conferees of 1899 to include in their "Convention for the Pacific Settlement of International Disputes" provisions designed to facilitate the setting up of international commissions of inquiry in disputes involving "neither honor nor vital interests." Such commissions, it was agreed, should be authorized to call witnesses, secure expert testimony, and prepare a report of their findings. A few years later, during the Russo-Japanese War, an incident occurred which provided an interesting opportunity to test the efficacy of this procedure. Thinking that they were Japanese torpedo boats, a Russian fleet, while cruising in the North Sea on its way to the Far East, sank two British trawlers. At that time an ally of Japan, the British government immediately demanded both an explanation and reparations. Popular feeling rose ominously and it looked for a time as if the affair might bring Britain into the conflict against Russia. Before this happened, however, France extended its good offices and suggested that a commission of inquiry, along the lines of The Hague Convention provisions, be created to determine responsibility and make recommendations. The French suggestion was accepted by both Russia and Britain and a commission of five members, consisting of British, Russian, French, and American naval officers, plus an Austrian admiral chosen by these four, set to work. Its report held the Russian squadron responsible. After accepting this conclusion, the Russian government agreed to pay an indemnity of £65,000 to Great Britain and the controversy was peacefully terminated.

One of the obvious weaknesses in conciliation is the difficulty of setting up an *ad hoc* commission of inquiry in the heat of a dispute. In the hope of obviating this difficulty, Secretary of State Bryan, in 1913, negotiated a series of bilateral treaties between the United States and thirty other nations providing for *permanent* boards or commissions of five members which might, on their own initiative, investigate any dispute not settled by direct diplomacy. Under the Bryan treaties, the signatory parties agreed to allow a year for investigation and report by the commission. In the meantime, they were bound not to resort to war. This arrangement, in the opinion of the American Secretary of State, would provide a "cooling off" period and, by postponing hostilities, make resort to war much less likely. Twenty-one of these treaties went into effect, though only ten commissions were actually set up. Nor was the Bryan machinery ever put to the test, although it has been claimed that, at one stage in the "Lusitania" controversy between Germany and the United States, "President Wilson yielded to Mr. Bryan's persuasive arguments and permitted him to draft an instruction to Ambassador Gerard to be sent simultaneously with the 'Lusitania' note advising the German government of the willingness of the United States to submit the questions at issue to a commission of investigation on the principle of 'the Bryan treaties.'" ⁷ Although there is some doubt as to the accuracy of this account, the fact remains that no such instruction was sent. A month later Secretary Bryan tendered his resignation to President Wilson.

Even though the original Bryan treaties, or many of them at any rate, "fell into desuetude because of the dying out of the personnel of the numerous commissions, or neglect to appoint them," the twofold idea of maintaining permanent conciliation machinery and pledging states to stay at peace during a "cooling off" period was destined to reappear as a part of the postwar system of pacific settlement. As will be observed in the next chapter, the Bryan principle is reflected in the provisions of the League Covenant which confer permanent conciliation functions upon the League Council. The Locarno Treaties of 1925, moreover, set up permanent conciliation commissions, while a large number of bilateral conciliation agreements concluded in the spirit of the Kellogg Peace Pact incorporate the Bryan idea in whole or in part. The Inter-American Conciliation Convention of 1923 obligates the signatory parties not to mobilize or commit hostile acts until at least six months after a report by an *ad hoc* commission of inquiry. In 1929, this convention was strengthened by an arrangement whereby permanent diplomatic committees, to be maintained at Washington and Montevideo, should exercise conciliatory functions until a special

⁷ David Lawrence, *The True Story of Woodrow Wilson* (New York, 1924), p. 145. It should be noted that Germany had not ratified a Bryan treaty.

commission of inquiry could be set up, as well as for six months following its report.

ARBITRATION AND ADJUDICATION

All the methods of pacific settlement thus far mentioned are alike in that they entail no prior obligation on the part of the disputant states to agree to any particular adjustment of the issues between them. It is this that constitutes the inherent weakness of any merely *advisory* procedure. Because of this widely recognized fact, the principal focus of the nineteenth-century effort to improve the machinery of peace centered upon *arbitration*. Employed as far back as Greek and Roman times, but little used from 1600 until after the French and American Revolutions, arbitration differs from mediation or conciliation in one significant respect. When two states agree to arbitrate a dispute, they commit themselves in advance to abide by the award of the judge (or judges) designated to consider the case. Just as in conciliation, arbitration may be effectuated by a single person, as, for example, the head of a friendly but neutral government; or it may be conducted by a board or commission. In the latter event, the usual procedure is for each of the disputant states to designate an equal number of arbitrators, at least one of whom is a national of the state in question, the odd member being chosen by the other two (or four) arbitrators to act, as it were, as the "neutral" referee. Thus, in case the arbitrators chosen directly by the two parties in conflict reach a deadlock, the neutral member can break it by casting the deciding vote.

In this form, "voluntary" arbitration was successfully used during the nineteenth century for the peaceful settlement of hundreds of controversies, chiefly of a nonexplosive character. The revival of arbitration was due largely to the policies of two powers—Great Britain and the United States. By the Jay Treaty of 1794, these two countries established four mixed commissions, upon three of which was conferred the authority to settle outstanding boundary and debt questions which, ever since the close of the Revolution, had gravely disturbed Anglo-American relations. As a result of this agreement, the location of the St. Croix River was satisfactorily determined and became a part of the northeastern boundary between Canada and the United States, subject to certain subsequent modifications. The claims of British subjects, on account of debts confiscated before the Revolution, were eventually liquidated, although not until 1802, when Great Britain agreed to accept a lump sum settlement. Reciprocal spoliation claims, arising out of maritime seizures, were settled by the award of specified sums to the rival claimants, chiefly to the Americans. Although a

storm of criticism raged in the South and West over these awards, the important thing is that they finally provided a peaceful basis for adjusting a complex set of questions between the two countries.

The Jay Treaty set a precedent which was destined to give a powerful impetus to the development of arbitration during the century that followed. Between 1794 and 1900 over four hundred successful arbitrations of international disputes are estimated to have taken place. Probably the most celebrated of these arbitrations was the settlement of the "Alabama" claims. This case arose out of damages to American shipping inflicted by a Confederate cruiser built in Liverpool by a British firm during the American Civil War. The United States contended that, by allowing this vessel to be constructed in one of its ports, Great Britain had violated the law of neutrality. This view was at first contested by the British and when the United States proposed arbitration as early as 1863, its offer was rejected by London. It was not until 1871 that the two governments signed the Treaty of Washington providing for a comprehensive arbitration of all outstanding claims of this character. This treaty represents an important stage in the development of the law of arbitration in that it "set forth certain principles to govern the award, the main one being that it is the duty of a neutral state to use due diligence to prevent the fitting out within its jurisdiction of any vessel intended to carry on war with a country with which the neutral is at peace."⁸ The arbitral tribunal specified by the Treaty of Washington consisted of five jurists to be appointed by the President of the United States, the British Queen, the King of Italy, the President of Switzerland, and the Emperor of Brazil. Meeting in Geneva, this tribunal finally awarded to the United States direct damages amounting to \$15,500,000, the American bill for indirect damages due, for example, to increased insurance rates, being overruled by the judges. Before the arbitration ended, other claims handled by separate commissions and totalling some \$7,500,000 were awarded to the British. What threatened for a time to poison Anglo-American relations indefinitely thus yielded to the processes of reason. Here, indeed, was a striking example of how two Great Powers could adjust an important controversy in a peaceful and orderly manner.

The arbitration record of the United States, although more impressive than that of any other major power, is marred by numerous instances in which arbitration was either refused or delayed for many years.⁹ In the Northwestern Boundary case, the American government rejected a British

⁸ B. H. Williams, *American Diplomacy: Policies and Practice* (New York, 1936), p. 295. For accounts of this and subsequent Anglo-American arbitrations, see Bemis, *op. cit.*, chap. XXIII.

⁹ According to J. W. Garner, *American Foreign Policies* (New York, 1928), p. 150, the United States had, up to a decade ago, engaged in eighty-five arbitrations with twenty-five different countries.

offer to arbitrate six times before arbitration by the German Emperor was finally accepted in 1872. A controversy relative to the Clayton-Bulwer Treaty provisions gave rise to several British offers to arbitrate, but they were declined. In a disputed jurisdiction over fur seals in the Bering Sea, British proposals to arbitrate the matter were long declined though eventually accepted in 1892. The relations of the United States with its weak Caribbean neighbors, especially during the period 1898-1930, were marked by a repeated unwillingness to submit disputed issues to arbitration. "The American government refused to arbitrate the questions with Spain growing out of the destruction of the "Maine," the issues with Colombia arising from the Panama affair of 1903, and the dispute with the Huerta government in Mexico following the Tampico incident of 1914."¹⁰ Various controversies over treaty rights and the collection of debts, with such countries as Costa Rica, Honduras, El Salvador, Haiti, and Santo Domingo, were not considered by the United States as suitable for arbitration. On the other hand, it is noteworthy that every contention involving Canadian-American relations has ultimately, if not immediately, yielded to some pacific procedure, arbitral or otherwise.¹¹

The type of arbitration discussed in the foregoing paragraphs entails the voluntary submission of a dispute to some agreed-upon arbitral procedure *ex post facto*. As illustrated by the cases already cited, this requires the negotiation of a bilateral treaty in which the scope of the controversy is defined, the method of selecting the arbitrators is indicated, and the rules of procedure and the governing principles of law or equity are laid down. These provisions constitute what is known in diplomatic terminology as the *compromis d'arbitrage*. From the standpoint of averting a breakdown of peaceful relations, this procedure has the obvious defect of necessitating an agreement on details after a controversy may have reached the high tension stage. For this reason, as has been pointed out, no agreement may be possible. With a view to removing this difficulty, in part at least, a considerable number of states had, by 1914, entered into bilateral treaties by which they pledged themselves to arbitrate all controversies of a specified kind that might arise between them during a fixed period of years—or until one or both parties gave notice of intention to terminate the treaty. Prior to the World War, however, none of the Great Powers showed any inclination to subscribe to the principle of *compulsory* arbitration except in an extremely attenuated form. It was Latin America, rather, that "first concluded treaties covering the arbitration of all disputes, though, when the disputes arose, the treaty obligations were disregarded. In Europe statesmen

¹⁰ Williams, *op. cit.*, p. 296.

¹¹ See P. E. Corbett, *The Settlement of Canadian-American Disputes* (New Haven, 1937), for an excellent analysis of the complete record.

were more cautious. Although they could not be forced to arbitrate a question which either party regarded as excepted from the treaty, nevertheless they were anxious that their treaty obligations should be so narrow that they could comply with them and avoid the odium of having to refuse to carry them out. Statesmen did not avow openly that they preferred the results of their own diplomacy, backed by physical force, to an arbitral award; they said, instead, that only certain disputes could be settled by arbitration, or were 'arbitrable.' Questions of 'vital interests' and 'honor' so-called, were not arbitrable. Nor were nonlegal questions. In this position statesmen were supported by a large number of influential writers on international law."¹² To put the matter in different terms, it might be said that such international lawyers merely rationalized existing diplomatic practice.¹³

The United States Senate has been notably hostile to the principle of compulsory arbitration. Since the 1890's, on numerous occasions, the Senate has either refused its assent to the ratification of bilateral treaties of this character or has so emasculated their provisions as to cause their withdrawal by the President. This is what happened, for example, in 1905, when President Theodore Roosevelt dropped a pending treaty with Great Britain because the Senate insisted that, before any dispute could be submitted to arbitration, there must be a special agreement approved by the Senate. Again, when the bilateral arbitration treaties negotiated by Secretary of State Root came before the Senate in 1908-09, it refused to ratify them unless this provision was inserted, despite the fact that disputes affecting "the vital interests, the independence, or the honor of the two contracting states, or the interests of third parties," were excluded from the scope of the treaties. For the purpose of widening the domain of arbitrable controversy, President Taft (1910-12) succeeded in negotiating with France and Britain treaties covering all disputes and providing for a joint high commission of inquiry to determine whether, in any given instance, a dispute was legal in character, i.e., involved a claim of right by one party against the other. If five of the six members of this commission concurred that the case was "justiciable," the parties were bound to submit it to arbitration. Otherwise, the dispute would be subject merely to the conciliatory procedures of the commission. Once more the Senate frustrated the Executive's efforts (1) by removing the provision for referring the question of arbitrability to the proposed joint commission, and (2) by inserting a series of "excepted" controversies involving such matters as immigration, territorial integrity,

¹² Reprinted from Cory, *Compulsory Arbitration of International Disputes*, by permission of Columbia University Press (New York, 1932), p. 105.

¹³ By 1917, there were in effect only thirty-six bilateral arbitration treaties covering all types of disputes, chiefly between minor states, along with nineteen others which excepted "constitutional questions."

state debts, and the Monroe Doctrine. Thoroughly disgusted by the Senate's reservations, Mr. Taft consigned his treaties to the wastebasket.

Equally unsuccessful were the pre-1914 efforts to establish multilateral systems of compulsory arbitration. Abortive proposals to this effect were made by the Institute of International Law in 1875, at the First Pan-American Conference of 1889, and at the two Hague Conferences of 1899 and 1907. A majority of the states represented at The Hague in 1907 supported an American proposal for a general arbitration convention which, however, would have excluded "vital interests" and "national honor"; but it failed of adoption primarily because of German opposition. The Hague Convention for the Pacific Settlement of International Disputes pledged the parties to resort to arbitration only "in so far as circumstances permit."

One important inference which may be drawn from the foregoing account is that permanent judicial machinery is almost indispensable for the generalization of compulsory arbitration. So long as it is necessary to set up machinery *ad hoc*, there are too many ways for disputant governments to evade their arbitral commitments because of the delays involved in getting the machinery going. Not only this, but the fact that *ad hoc* arbitral agencies have to agree upon special rules of procedure and evidence for each case is not conducive to the progressive development of a body of international case law. A third difficulty is inherent in the relationship of the arbitrators to the parties whose cause they are called upon to judge. For the greater part, the personnel of *ad hoc* arbitral bodies is chosen directly by these very parties, and therefore may lack the independent authority and professional competence enjoyed by the bench of a permanent court. In other words, international arbitration, as conceived and practiced during the nineteenth century, fell far short of providing genuine *adjudication*, even where its coverage was widest. On the one hand, the progress of arbitration was handicapped by the lack of any permanent international court. On the other hand, such progress as was realized gave impetus to the movement to create a court before which member states might be hailed automatically, that is, without the necessity of negotiating a special *compromis d'arbitrage* each time a dispute might arise.

The first concrete attempt to set up a permanent court took place at The Hague Conference of 1899. Called by the initiative of Tzar Nicholas II of Russia, this Conference brought together the representatives of twenty-six states for their common consideration of two topics: (1) the reduction of armaments and (2) the pacific settlement of international disputes. On the first question, the Conference failed to produce anything more than pious hopes, although two conventions designed to "humanize" methods of warfare emerged from its labors. On the second topic, more positive results were obtained. While it proved impossible to devise any acceptable

plan for a permanent court, "what was done was to provide a *permanent framework* for ad hoc tribunals, which, as a great jurist remarked shortly afterwards, was a much wiser and more practical measure at that stage than the setting up of a permanent court. This framework consisted of a body of rules, a list of suitable arbitrators available for the choice of the parties and a permanent office or secretariat for the keeping of archives and the receipt of applications and other correspondence.¹⁴ Every six years, each signatory power was to select four persons "of known competency in questions of international law, of the highest moral reputation, and disposed to accept the duties of arbitrators." From this permanent panel of potential arbitrators on file at The Hague secretariat, each party to a dispute might select two arbitrators and these four would choose a fifth, unless they were equally divided, in which case a third power was to be asked to name the fifth member. The official title given to the machinery, namely, The Hague Permanent Court of Arbitration, was of course a misnomer, for it lacked the attributes both of permanence and of a court. Nor, for that matter, were the forty-two states that ratified The Hague Convention bound to utilize its provisions, for the principle of compulsory arbitration proved too advanced for the 1899 conferees.

Despite these obvious limitations, The Hague panel tribunal was successfully utilized for the peaceful adjustment of fifteen disputes down to the World War. Among these cases were the Venezuelan debt question of 1903, involving Great Britain, Germany, and Italy; the Newfoundland fisheries dispute between Britain and the United States; and the Casablanca controversy of 1904. During the postwar period six other cases were similarly handled. Seventeen different countries have been involved in these twenty-one awards, France having participated in nine cases, Britain and the United States in six each.

While the usefulness of The Hague panel machinery proved to be greater than many anticipated at the time of its creation, the nonpermanence of its personnel prevented the accumulation of special skill in the technique of arbitration. Since the utilization of such a loose institution depended upon the individual volition of states after situations had become acutely controversial, it could not hope to acquire sufficient prestige to deal with the vital issues of war and peace. Consequently, at the Second Hague Conference, an attempt was made, mainly upon American initiative, to convert the panel tribunal into a permanent court of arbitral justice. In the language of Secretary Root's instructions to the American delegates, this court should be "composed of judges who are judicial officers and nothing else, who are paid adequate salaries, who have no other occupation, and who

¹⁴ Zimmern, *op. cit.*, p. 110.

will devote their entire time to the trial and decision of international causes by judicial methods and under a sense of judicial responsibility. These judges should be so selected from the different countries that the different systems of law and procedure and the principal languages shall be fairly represented. The court should be made of such dignity, consideration and rank that the best and ablest jurists will accept appointment to it, and that the whole world will have absolute confidence in its judgments."¹⁵

A draft proposal for such a court was introduced by the American delegation. The Russians also presented a plan closely paralleling the American. Without much difficulty a detailed project, based upon these two plans, was worked out. Except for one point, this project received general approval from all the participating delegations. But it was this one point that ultimately led to the failure of the whole scheme. The difficulty arose over the method of selecting the judges. The Great Powers proposed that the court consist of seventeen judges, eight of whom were to be chosen for twelve-year terms by the eight major powers of that day, the other nine to be selected by the remaining states for shorter terms on a rotating basis. By this ingenious arrangement, it was hoped to reconcile the dogma of state equality with the requirements of an efficient court. If every state were permitted to have a judge on the court's bench simultaneously, the result would have been an unwieldy "judicial assembly" instead of a workable tribunal. But it was precisely this claim to equal representation upon which the lesser states, led by Brazil, insisted. To them a court with permanent seats for certain powers smacked too much of Great Power control. In the end, no agreement on the court's composition could be reached which would satisfy both groups of states, and the plan remained stillborn, although the idea was to be revived in modified form thirteen years later as a basis for appointing judges to the Permanent Court of International Justice set up by the League of Nations.¹⁶

Although the effort to create a permanent court on a world-wide scale crashed on "the rock of state equality," five Central American states succeeded, within a few months after the close of The Hague Conference of 1907, in doing on a regional scale what had failed of accomplishment on a world-wide basis. Under the joint sponsorship of the United States and Mexico, these Central American countries, after being torn for years by war and revolution, held a peace conference at Washington and concluded a general treaty providing for a Central American Court with sweeping

¹⁵ *U. S. Foreign Relations* (1907), Part II, p. 1135.

¹⁶ It is significant to note that the Second Hague Conference agreed upon the application of this double system of selection to the members of a projected International Prize Court, which, however, never came into being because of British opposition to "freedom of the seas" in time of war.

powers. To be composed of five judges chosen by the legislative authorities of the five republics, this court was given jurisdiction over *all* disputes that could not be settled by diplomatic negotiation. Not only were there no excluded categories of *intergovernmental* controversies, but the court could even take cognizance of cases between *private citizens* of different states if national law failed to provide adequate remedies or denial of justice could be established—whether their governments supported their claims or not. For ten years this novel international tribunal functioned successfully, during which period it adjudicated eight cases. One of these involved “vital interests” and “national honor.” Most of them, however, consisted of suits brought by private individuals against a foreign government.

Paradoxically enough, the Central American Court of Justice was wrecked in 1917 by the United States—one of the original “sponsoring” powers. Into all the circumstances we need not go here. In brief, the court’s downfall was due to two decisions which invalidated certain privileges claimed by the United States under the Bryan-Chamorro Treaty with Nicaragua. By this treaty the latter country had granted to the United States exclusive rights in perpetuity for an inter-oceanic canal across Nicaragua by way of the San Juan River. This river forms the boundary between Nicaragua and Costa Rica. Since 1858 these two countries were bound by a treaty which gave Costa Rica “a perpetual right of free navigation over a certain portion of the river and the right to be consulted if Nicaragua entered into contracts for canalization or transit with other countries.”¹⁷ Costa Rica now protested that her rights under this treaty had been infringed upon and appealed to the court, which decided in her favor. In a second case arising out of the Bryan-Chamorro Treaty, the court upheld a contention by El Salvador that its national security would be endangered by a ninety-nine-year lease of two islands in the Gulf of Fonseca granted to the United States, along with the right to establish an American naval base on Nicaraguan territory adjacent to this Gulf, of which, along with Nicaragua and Honduras, El Salvador was a coöwner. Nicaragua contested the court’s jurisdiction in these two cases and refused to abide by its decisions. When it came time to renew the treaty under which the tribunal operated, Nicaragua denounced the court, apparently because of fear of offending the United States. The latter power, unfortunately, did nothing to iron out the situation by negotiating with Nicaragua’s neighbors. Thus the court’s life came to an untimely end. Its failure, however, illustrates “not the impossibility of such a tribunal, but the difficulties which would be encountered by any purely regional court.”¹⁸

¹⁷ Cory, *op. cit.*, p. 94.

¹⁸ *Ibid.*, p. 98. On a voluntary panel basis, a second Central American Court was set up in 1923, but with a much narrower jurisdiction.

THE NINETEENTH-CENTURY
"PEACE SYSTEM" IN RETROSPECT

Anyone who looks back upon the procedures of pacific settlement which were developed during the century prior to the World War will be less impressed by the inadequacies of machinery and technique than by other inadequacies inherent in the state system. True, the machinery of peace was far from perfect. When *direct* diplomacy failed, the interposition of neutral opinion depended too much upon chance. The "Concert of Europe," in addition to being limited to the European region, tended to become enmeshed in the rivalries of power politics as the nineteenth century came to a close. Diplomacy by formal conference, lacking continuity and operating under the handicap of unanimity, did not develop into a genuine instrumentality for international legislation. Every attempt to establish a world-wide international court ended in failure. Despite increasing lip service paid to the principle of arbitration, and the negotiation of numerous bilateral treaties of compulsory arbitration, the international community was still far from accepting arbitration in practice. Even those states that were parties to obligatory arbitration agreements could all too easily discover excuses for circumventing their obligations.

Nevertheless, the available machinery did and could work when there was sufficient will to use it. In numerous instances this will was manifested by both sides. In other situations, such as the crisis of 1914, one side would evince the will, more or less at least, while the other did not. Acting by virtue of the European Concert, Great Britain then attempted intervention. But Sir Edward Grey's efforts to mediate the Austro-Serb issue at an early stage were no more successful than his eleventh-hour attempt to persuade representatives of the Triple Alliance and the Triple Entente to meet around a common conference table. Nor did the American tender of good offices, made under the authority of The Hague Convention, fare any better.

During the course of the nineteenth century, the consequences of the breakdown of diplomacy were *bilateral* or *regional* conflicts. Into this category fall the Franco-Prussian War of 1870-71, the Russo-Turkish War of 1877, the Spanish-American War of 1898, the Boer War of 1899, the Russo-Japanese War of 1904-05, and the Balkan Wars of 1912-13. But by 1914 a world-wide entanglement of commercial and imperial interests had produced an alignment of Great Powers extending across Asia to the Pacific, which made the war, when it came, a *world* war. In 1902, Great Britain, alarmed by German naval expansion, had contracted a defensive alliance with Japan. Two years later, the British settled their African differences with France and laid the basis for the Dual Entente. By 1907 this

was broadened by the Anglo-Russian agreement into the Triple Entente. Facing the Triple Entente stood the Triple Alliance of Germany, Austria-Hungary, and Italy, also ostensibly defensive in character, but designed to facilitate for its members an expansion of power in southern Europe and the Near East.

Broadly speaking, it was the fear that this "balance of power" between alliances would tip permanently to the other side that undermined the peace maneuvers of national foreign offices in 1914. We know from subsequent historical investigation that no government directly plotted war.¹⁹ At the same time, it is equally clear that a general desire to adjust the immediate crisis by peaceful means was lacking. Such adjustment, in order to be of lasting effect, would necessarily have entailed changes *within* as well as *between* sovereign states and world empires—changes in domestic political organization and the status of national minorities, changes in colonial rights and commercial policy, and changes in military policy. Rather than run the risk of a loss of power or prestige by resort to any such thoroughgoing negotiation, the Continental Powers allowed themselves to drift into war.

Here we come to the root of the difficulty. International relations operated within the context of power politics. There was no system of international law through which the *status quo* could be modified by the technique of legislation. Any state, if sufficiently powerful, could block the processes of diplomatic negotiation, the success of which depended upon a spirit of compromise and the good faith of all states concerned. As a matter of fact, the observance of treaties and arbitrable awards rested upon good faith *all around*. Given the existing stage of international morality, this good faith was not always forthcoming. In proportion as the technological possibilities of national armament increased, the great industrial states came more and more to fall back upon national "self-help" and the alliance system. Thus there developed a competitive arms race which had the inevitable effect of accentuating still further a psychology of international insecurity. How sterile were the efforts to call a halt on armament expansion, the diplomatic history of the first decade of the twentieth century offers tragic testimony.

Such international law as existed prior to 1914 was "simply the result

¹⁹ For the diplomatic background of the 1914 conflict the best balanced, comprehensive study in English is S. B. Fay, *The Origins of the World War* (2 vols., New York, 1928). See also B. F. Schmitt, *The Coming of the War: 1914* (2 vols., New York, 1930), and G. P. Gooch, *Before the War: Vol. I, The Grouping of the Powers* (London, 1936), and Vol. II, *The Coming of the Storm* (London, 1938). W. L. Langer's exhaustive studies of prewar diplomacy, *European Alliances and Alignments 1870-1890* (New York, 1931), and *The Diplomacy of Imperialism 1890-1902* (New York and London, 1935), admirably supplement in detail these general surveys. The controversial literature on war responsibility is, of course, immense.

of the contracts between a number of self-regarding political units—stars whose courses, as they moved majestically through a neutral firmament, crossed one another from time to time.”²⁰ At least half the rules of this so-called law, itself a compound of ill-defined custom, textbook rationalization, and contractual agreement, was concerned with the regulation of *warfare*—the negation of any orderly society! Here lay the central contradiction of the nineteenth century “sovereign” state system. At the same time that better procedures of pacific settlement were being painfully elaborated, a spirit of selfish nationalism, aided by modern technology, was producing conditions which discouraged utilization of these procedures whenever national economic interest and imperial ambition came into collision; and the possibilities of collision multiplied with every new means of emotionalizing popular opinion. Whenever a potential enemy believed it could achieve an easy or a quick victory by force of arms, a war psychosis was likely to result. An irresponsible press vied with the munitions-makers and the professional militarists in aggravating this psychosis. Given such a combination of forces, diplomacy and the desire for peace abdicated to military strategy and the inherent belligerent propensities of mankind. To quote again from Sir Alfred Zimmern: the War of 1914-18 was a “demonstration that, as international politics had developed since the turn of the century, a war between the Great Powers could no longer be compartmentalized. It was a break-through, in the grand style, of the forces of disruption, carrying away in their path barriers that had held for a hundred years. Could peace be established on an equally world-wide basis, with a sweep as majestic and all embracing? That was the problem set for statesmanship by the events of 1914.”²¹

²⁰ Zimmern, *op. cit.*, p. 98.

²¹ *Ibid.*, p. 92.

XXI

THE GENESIS OF THE LEAGUE OF NATIONS

"PEACEMAKING"

AT PARIS

In the wake of prolonged and widespread war, as conducted under modern conditions, "peace with justice" appears to be almost beyond the capacity of the human will. Modern war demands the complete self-surrender of all participants. It is fought not only with military weapons, but equally as much with the instrumentalities of organized propaganda and censorship. The savage passions of fear and hatred tend to drive out reason. Indeed, there emerges a kind of social hysteria which, when hostilities finally cease, produces wild, unrealizable illusions in the victorious countries and a smoldering desire for revenge among the defeated peoples.¹

Even in the case of more "limited" conflicts than the "total" war of 1914-18, numerous indications of the temptation to take undue advantages of military victory are supplied by the history of the past century. Students of American history will recall without pride the efforts of the radical "reconstructionists" to keep the conquered Confederacy in a state of servitude for many years following Appomattox. Indeed, it was not until 1876 that Union troops were withdrawn from the South and the orgy of the "carpetbaggers" was ended. The Prussian victory over France in 1871 resulted in a treaty which transferred Alsace-Lorraine to Germany without consulting the inhabitants and fastened an indemnity of 5,000,000,000 francs upon the defeated state—a peace which left France a "revisionist" power for the next forty years. Following the conclusion of the Spanish-American War, imperialistic fervor in the United States clamored for and secured peace terms that went far beyond the scope of the original controversy with Spain regarding Cuba and gave the victor an important dependency in the western Pacific for a "song." If space permitted, one might cite still further examples in which the victor imposed its will upon the vanquished in a manner calculated to leave a legacy of sullen resentment.

¹ See Caroline E. Playne, *Society at War* (Boston, 1931), for a penetrating diagnosis of the psychopathology of the conflict of 1914-18.

If this can so easily happen in respect to comparatively brief or localized conflicts, need one be surprised that in 1919 the forces operating against a



FIG. 24.—RUSSIA AFTER BREST-LITOVSK

From *Shadow Over Europe*, by Shepard Stone. Copyright, Foreign Policy Association, 1938. Reproduced by permission.

just peace after four years of world-wide devastation were as strong as they were? That the Versailles Settlement reflects the impact of many of these forces there can be no doubt. Only by an herculean effort had the Allies

been able to win a "knockout" victory over the Central Powers. More than once, during the period from 1916 to early 1918, it had looked as if victory was not to be had; that, at best, a "stalemated" peace would be all the Western Powers could hope for. But the defection of Russia, after the Bolshevik Revolution, was more than offset by the entrance of the United States into the conflict. "Peace without victory," to use President Wilson's phrase, gave way to "peace with victory."

In certain respects, the character of this "peace with victory" was remarkably foreshadowed by the kind of peace which Germany, in March 1918, had imposed upon Bolshevik Russia at Brest-Litovsk.² By the Treaty of Brest-Litovsk Imperial Germany annexed a large part of Russian Poland; reduced the Ukraine to a political and economic appanage of Germany; joined Lithuania and Courland to the Reich through a personal union; and forced Russia to give up Finland, Livonia, and Estonia, and to hand over the Caucasus to Germany's ally Turkey. By these drastic terms Russia lost nearly a third of her agricultural territory and over a third of her population, 54 per cent of her industrial establishments, and almost 90 per cent of her coal production. Small wonder that Lenin's representatives, when left no recourse but to sign the dictated settlement, should have branded it a "peace by violence." Nor was the peace imposed by Germany upon Rumania shortly thereafter much less ruthless.

The lesson of Brest-Litovsk was not lost upon the Allied statesmen. Indeed, the spectacle of triumphant German imperialism at work in eastern Europe had done much to intensify and unify the military campaign of the Allied and Associated Powers during the remainder of the War. Nor were the latter without knowledge of the far-reaching annexationist claims relative to western European territory that had been voiced in Germany during the earlier stages of the struggle. In short, they well knew what kind of peace they might have anticipated had the fortunes of war favored the German cause.

During the last months of the conflict, political and economic developments had come thick and fast. By the time of the Armistice, both the Austro-Hungarian and the Turkish Empires had fallen to pieces. In Germany the impending military debacle had forced the Kaiser to flee and toppled the Imperial régime. From Russia the "poison" of Bolshevism was extending its reaches into central Europe, causing many of the Allied leaders to wonder if the seeds of social unrest were not being planted among

² For a comprehensive analysis of the Peace of Brest-Litovsk, see J. W. Wheeler-Bennett, *The Forgotten Peace: Brest Litovsk, March, 1918* (New York, 1939). There is good reason for believing that Hitler, in developing his views on Germany's Eastern policy as elaborated in *Mein Kampf* (Vol. II, chap. 14) was influenced by the terms of Brest-Litovsk. During the early days of the Nazi movement Hitler gave a lecture contrasting the Treaties of Brest-Litovsk and Versailles.

their war-weary populations. Hunger and disease were stalking westward across Europe and the possibility of a general disintegration of economic life was by no means remote. Millions of people faced starvation only to be kept alive, most of them, by famine relief efforts financed largely by American funds. Nerves were so frayed by long years of fear and suffering that the masses were woefully susceptible to cheap emotionalism and vindictive propaganda. Now that "glorious" victory had come, they were told, Germany must and would be made to pay—and "pay to the last farthing," according to the slogan used so effectively in the British "khaki" election of 1918 which returned the Lloyd George government to power by an overwhelming majority. With peace, England was to be made "a place fit for heroes to live in." Across the Channel, Clemenceau's France nourished the expectation that the terrific costs of a war that had been fought chiefly on French soil would be met by the vanquished *boches*. It has well been said that the old Tiger, christened *père la victoire* by his grateful compatriots, had but one illusion—his "beloved France," and but one disillusion—mankind! After the Armistice the French press, particularly in Paris, played incessantly upon the theme that Germany must be so reduced in strength that she could never again threaten European peace. Hence the popular clamor for huge war indemnities, enforced German disarmament, the destruction of the German merchant marine, the cession of German colonies, and the reestablishment of France's "natural frontier" on the Rhine.

This, in brief outline, was the destructive side of the picture. But the War had generated another set of forces of a more constructive and liberal character. Among the Allied peoples, at least, it had driven home the lesson of interdependence.³ Before victory was finally achieved they had perforce been led to pool their efforts in what amounted to an Allied "league of nations." As early as 1915, the heads of the Allied governments adopted the practice of meeting periodically in conference to discuss military and diplomatic policy. By 1917 these meetings evolved into a standing organization, known as the "Supreme War Council," with a permanent secretariat. Acting as an intergovernmental policy-coördinating body, the Supreme War Council eventually was able to agree upon the appointment of Marshal Foch as *generalissimo* of the Allied armies. In the field of economic policy an even more elaborate organization gradually took shape. This began with the establishment of a commission to pool the purchases of food and raw materials and was followed, during 1915-16, by a cluster of special committees to handle separate commodities. After the United States entered the

³ In the case of the Central Powers, Germany was so much stronger than Austria-Hungary, Bulgaria, and Turkey put together that she could virtually dictate their wartime relations with Berlin.

War, the work of these "program committees," as they were called, was channeled through an Inter-Allied Maritime Transport Council, consisting of two ministerial representatives from each of the four principal Powers. To facilitate the gigantic tasks of this Council, a permanent staff of administrative officials was set up in London. Under the name of the Allied Maritime Transport Executive, this small group of British, French, Italian, and American civil servants became "the central hub of the Allied war machine. From it went forth, daily and hourly, decisions which closely affected the interests, the needs and, above all, the daily habits of individuals over a large part of the world. And here, too, under the impact of experience, were being hammered out conclusions as to the possibilities and limits of interstate coöperation which could have been arrived at in no other way."⁴ During the last months of the War, this intergovernmental executive in London controlled 90 per cent of the world's seagoing tonnage. It handled the acquisition of foodstuffs, munitions, and industrial raw materials, and allocated cargo space for their shipment to Europe from Canada, Australia, the United States, and other overseas points. The all-impelling purpose of winning the War caused the Allied Powers, for the time being, to "abdicate their economic autonomy."

The fact that effective inter-Allied economic and military coöperation could be realized without setting up any *supernational* authority made a profound impression upon liberal opinion, especially in Britain. Sir Arthur Salter, a British economist of unusual political vision, acted as secretary of the Maritime Transport Executive. Along with other participants in the operation of the Allied economic machine, Sir Arthur saw in its success real possibilities for sustained interstate coöperation after the war. If, without disturbing national independence, the administration of economic policy could be coördinated by an interstate coöperative organism such as the Maritime Transport Council, why would it not be possible to handle the tasks of postwar reconstruction in similar fashion? With this end in view, the British government, supported by British labor leadership, proposed to the American government in October 1918 a joint program of economic reconstruction. While the German request for an armistice was being considered, the French joined the British in suggesting that the merchant marine of the Central Powers be placed under the direction of the Allied transport organization and that the latter agency be given authority to control the distribution of foodstuffs in the previously blockaded regions of Europe. But the reply of the United States government to this proposal was "emphatically and indeed brutally negative." To the American Food

⁴ Zimmern, *op. cit.*, p. 147. For an illuminating account of inter-Allied economic organization, see J. A. Salter, *Allied Shipping Control* (New Haven, 1921).

Administrator, Mr. Herbert Hoover, it apparently seemed more important to preserve the independent right of American exporters to make profits from soaring prices than to facilitate an international program of economic recovery. As a result, the apparatus of Allied economic coöperation fell to pieces shortly after the Armistice. Nevertheless, the auspicious success of the experiment during the war years generated a current of ideas which was to exert a marked influence upon the evolution of the League of Nations idea at the Paris Peace Conference, where Sir Arthur Salter and several of his wartime colleagues were present as technical advisers to their respective national delegations.

In the meantime, there had appeared, in Britain and the United States, a series of unofficial proposals for some sort of international league as a means of protecting states from the menace of future war. From the first days of the conflict, Sir Edward Grey, the British foreign minister, had envisaged the desirability of improving and extending the nineteenth-century "concert" idea for the purpose of adjusting international problems through periodic conferences of heads of governments. Various private groups in Great Britain, led by the Fabian Socialists and such humanitarian leaders as Lord Bryce and Lord Robert Cecil, began bringing forward a number of concrete schemes for such a league. Similarly, across the Atlantic, the American League to Enforce Peace, a private organization in which ex-Presidents Taft and Theodore Roosevelt and Senators Lodge and Knox were leading spokesmen, enunciated a plan for a "League of Peace." This League was to operate (1) through a world court and a conciliation commission, whose decisions should be sanctioned, if necessary, by the collective force of the members of the League, and (2) through periodic conferences to be held for the codification of international law.⁵ In Holland and the Scandinavian states pacifist groups were engaged in similar discussions from the viewpoint of the neutral nations. To a lesser degree, advocates of a league to prevent war became active in France, in Italy, and among radical groups in Germany. Indeed, "wherever and whenever the outraged sense of human solidarity could escape from the actual problems of belligerency, it reacted in favor of some form of international organiza-

⁵ The American idea of organized military sanctions may be traced back to an address in 1910 by Theodore Roosevelt, in accepting the Nobel Peace Prize, when he said: "It would be a master stroke if those great powers honestly bent on peace would form a league of peace, not only to keep the peace among themselves, but to prevent by force, if necessary, its being broken by others."—*Congressional Record*, 61st Cong., 2nd Sess., p. 8547. That same year the American Congress, at President Taft's suggestion, passed a resolution asking for the examination of all available facilities "for the purpose of limiting the armaments of the nations of the world by international agreement, and of constituting the combined navies of the world an international force for the preservation of universal peace."—House Joint Resolution No. 223, 61st Cong., 2nd Sess., 1910.

tion which would at least make more difficult a repetition of the world disaster."⁶

It was in the two great Anglo-Saxon democracies, however, that popular interest in the league idea attained widest expression. This interest became all the more articulate as the War took on the character of a crusade, in President Wilson's famous epigram, "to make the world safe for democracy." Curiously enough, the American President, although he had expressed mild interest in the proposal for an "association of nations" as early as the autumn of 1914, remained critical of the guarantee feature until well into 1916. Indeed, he did not actively espouse a league program until his campaign for re-election on the slogan "he kept us out of war." For two and a half years Mr. Wilson had repeatedly tried to bring about a "peace of understanding." In his final offer of mediation, submitted to both sets of belligerents in December 1916, he pointed out that the professed war aims of both sides seemed virtually the same and expressed hope that they would be willing to enter into a league of nations for the furtherance of peace. Still clinging to the belief that only "a peace between equals" and "without victory" could be lasting, the President, in an address before the American Senate on 27 January 1917, laid down a five-point peace program. This program proposed (1) the extension of the Monroe Doctrine principle of nonintervention to the entire world, (2) the abolition of entangling alliances, (3) freedom of the seas in peace and war alike, (4) moderation of national armaments by international agreement, and (5) a league to enforce peace. Within a month, the resumption of unrestricted submarine warfare by Germany rendered further peace negotiations futile and led, in April, to American entry into the conflict. In the meantime, Russia had collapsed and the military position of the Allies had become precarious. Under these conditions, it seemed to Wilson that the best chance of realizing a constructive peace settlement lay in crushing German autocracy and German militarism once and for all. Therefore, in his opinion, the only honorable and safe course for the United States was to throw its tremendous weight into the balance and insure triumph for the forces of democracy.

With America at last in the conflict, its European associates were not slow in adopting the Wilsonian idealization of war objectives. Conveniently forgetting, at least for the time being, the secret treaties for dividing the spoils of victory which they had earlier made with one another, the Allied governments, led by Great Britain, officially "revised" their war aims. The struggle now became a "war to end war." The rights of small nations, such as Serbia and Belgium, must be vindicated, while for subject nationalities,

⁶ Felix Morley, *Society of Nations* (Washington, D. C., Brookings Institution, 1932), p. 5. This volume presents the best analysis in English of the constitutional development of the present League down to the period of its decline.

the principle of "self-determination" should be written into the new map of Europe and the Near East. Secret diplomacy must yield, in President Wilson's famous phrase, to "open covenants openly arrived at." Speaking before the British Trade Union Congress on 5 January 1918, Premier Lloyd George elaborated this new peace program in terms strikingly similar to the famous "Fourteen Points" which President Wilson enunciated only three days later before the American Senate. As the fourteenth and most important point in his peace manifesto, Mr. Wilson declared that "a general association of nations must be formed under specific covenants for the purpose of affording mutual guarantees of political independence and territorial integrity to great and small states alike." In subsequent addresses, the President supplemented this declaration by proposing the prohibition of all special alliances or embargoes within the proposed general League of Nations.

During the remaining months of the War, on both sides of the Atlantic, the construction of concrete plans for a league increasingly occupied the attention of important government officials and committees.⁷ In March 1918, the first official British draft for a league constitution was circulated by a committee appointed by the then Foreign Minister, Mr. Arthur Balfour, at the suggestion of Lord Robert Cecil. This draft became known as the Phillimore plan—from the name of the British jurist who directed the study. It envisaged a defensive "alliance" which, at the outset, would have included only the War victors. Under the Phillimore scheme, member states would be bound not to go to war with one another without first submitting their disputes either to arbitration or to a continuing conference of ambassadors for inquiry and report. If any state should refuse to abide by an arbitral award or report by the conference, the other members agreed "to take and to support each other in taking jointly and severally all such measures—military, naval, financial, and economic—as will best avail for restraining the breach of covenant." Here is to be found the germ, not only of the future League Assembly, but of the sanctions provisions of Article 16 of the Covenant as well. A copy of the Phillimore draft was dispatched to Washington and certain traces of its provisions appeared in the first official American draft prepared by Colonel House a few months later.

Before turning to the progress of American thinking, it is necessary to refer to an official French scheme which was reported by a committee headed by M. Léon Bourgeois, an ex-Premier who had prominently participated in The Hague Conference of 1907. This French plan went even further than the British in emphasizing sanctions. Indeed, it contemplated

⁷ It should also be noted that, in their reply to the Papal Peace Note of 16 August 1917, the Central Powers had indicated their general approval of the League idea.

the creation of a standing international army under a permanent general staff and advocated a whole series of penal measures against aggressor states, including exclusion from the courts of other league members, an economic blockade and, as a last resort, collective military action. Unlike the Phillimore plan, however, the French scheme proposed a permanent court for the adjudication of legal disputes, together with a "permanent delegation" which, in rudimentary form, hinted at the general secretariat of the League as finally set up.

During the summer of 1918, President Wilson commissioned Colonel House to revise the British draft around "the principles of territorial guarantee and obligatory international police action against an aggressor which were later to be embodied in Articles 10 and 16 of the League Covenant. In the light of later history, it is desirable to note that the parts of the Covenant which have been most condemned in the United States had American initiative in their origin."⁸ The House draft, showing definite traces of the proposals of the American League to Enforce Peace, emphasized moral and legal rather than direct military sanctions. It was the first plan (1) to propose specifically a paid secretariat, (2) to provide for the international revision of the territorial clauses of treaties, and (3) to suggest the desirability of an emergency conference of state representatives "whenever war is rumored or threatened"—an idea which presaged the eventual arrangement for League Council meetings under Article 11 of the Covenant. Taking the House draft as a point of departure, President Wilson, in August, produced a *first* draft of his own which differed from the former document chiefly in the stronger emphasis it gave to collective sanctions and compulsory arbitration as prerequisites of national disarmament. Mr. Wilson's plan, however, made no reference to the need of a permanent court.

From August until December, the Allied governments were so busy with activities related to the ending of the War that little further progress in covenant-drafting was made. In December, however, General Jan Smuts, the South African representative on the British Imperial War Cabinet, made two significant contributions to the evolution of Anglo-American thinking about the League. To Smuts goes the credit of first proposing the mandate system for the control of certain territories belonging to the former Turkish, Russian, and Austrian empires, which, according to the principle of "self-determination," were to be detached from these sovereignties in the

⁸ Morley, *op. cit.*, p. 16. For a fully documented account of the evolution of the League Covenant text, written by an important American participant in the process, see David Hunter Miller, *The Drafting of the Covenant* (2 vols., New York, 1928). Also Theodore Marburg, *The Development of the League of Nations Idea* (2 vols., New York, 1931). The full text of the Covenant is given in Appendix A (see pp. 779-789, *infra*).

peace settlement.⁹ Still more important, from the standpoint of the eventual constitutional structure of the League, was Smuts's suggestion that, in addition to a general conference of all member states, there should be created an executive committee (or council) consisting of "the prime ministers or foreign secretaries or other authoritative representatives of the Great Powers together with the representatives drawn in rotation from two panels of the Middle Powers and minor States respectively, in such a way that Great Powers have a bare majority." By advocating the earliest possible admission of Germany as a permanent member of this executive committee, and the right of any state not included thereon to be represented when any interest of its own was under discussion, Smuts revealed a realistic understanding of the conditions of postwar readjustment. The broad range of his constructive thinking appeared also in a proposal for the appointment by the projected council of technical committees to consider such problems as communications and transit, the removal of trade barriers, and the protection of national minorities.

One other scheme, prepared by Lord Robert Cecil, was thrown into the arena of discussion before the Peace Conference actually got under way. On the day following the submission of the Smuts memorandum to the British War Cabinet, Lord Robert presented a brief statement designed to supplement the earlier Phillimore draft. Although there was little new material in the Cecil plan, it emphasized the administrative importance of a permanent secretariat and recommended the appointment of a "general secretary" (the later Secretary-General of the Covenant) by the Great Powers. On the larger question of how to preserve peace, Lord Robert fell back substantially upon previous proposals in advocating a council of Great Power statesmen meeting annually; a general assembly of all member states to be held every four years, with special conferences whenever there was danger of war; and military sanctions against aggressors. In substance, the Cecil plan would have largely concentrated control over international relations in the hands of the major powers through a strengthened conference system.

By the time the British and American statesmen reached Paris for the Peace Conference, a substantial accord had been reached on two essential points, namely, the desirability of executive direction of the forthcoming league by the Great Powers and the necessity of some measure of *collective* action against breakers of the peace. On other aspects of the problem, important differences of emphasis and approach marked the various preliminary drafts brought to Paris. Although the British contributed many

⁹ Subsequently, the mandate idea was extended to the former German colonies; but as a South African statesman, interested in securing German South West Africa for his own country, Smuts originally excluded the German possessions from his mandate plan.

more specific ideas than the Americans, Wilson himself included, it was unquestionably due to the American President's vigorous leadership that any league at all emerged from the peace deliberations. In Wilson's view, the League was to be "the key to the whole settlement." From this position he never wavered—even when the outlook for the Covenant seemed most hopeless. From the outset he insisted that the League should be made "an integral part" of the peace treaties. Retrospectively, it is easy to question the wisdom of this decision, but in its support may be cited the judgment of a distinguished historian of the Peace Conference, from whom we quote:

So many vested interests were challenged by the League, and so many new forces had been liberated in Europe which were antagonistic to it, that unless it had been made part of the peace, it might have been postponed for a generation. Even more important was the fact that the Treaties themselves were made to centre round the idea of the League to so great an extent that without it they become plainly unworkable. *The recognition that the problems raised at Paris can only be solved by a permanent international organization is perhaps the greatest result of the Conference.*¹⁰

Then at the height of his world prestige, Wilson had to struggle against tremendous odds in order to secure the incorporation of the Covenant into the treaties. While he had the support of such an ardent League champion as Lord Robert Cecil, other influential members of the British delegation, notably Mr. Balfour, were lukewarm, if not skeptical, regarding the whole idea. The French and the Italians, evincing even greater misgivings, proposed that peace be concluded first in the hope that by the time this was done the Conference would be disinclined to tackle the League question. Clemenceau, in particular, was obsessed above everything else with "the security of France; the League he regarded as a luxury, perhaps a danger."¹¹

Furthermore, the surcharged atmosphere of the French capital was far from favorable to the success of Wilson's program. At more than one critical juncture during the deliberations, the Paris press tried deliberately to sabotage the League idea by laying down a barrage of ridicule and innuendo.¹² During Wilson's visit to Washington (February 14–March 14), for the closing of Congress, a scheme was hatched by Balfour, Winston Churchill, and the French to generalize the military and naval terms of

¹⁰ Harold W. V. Temperley (ed.), *A History of the Peace Conference at Paris* (6 vols., London, 1921–24), I, 276.

¹¹ See Charles Seymour (ed.), *The Intimate Papers of Colonel House* (4 vols., Boston, 1926–28), IV, 251; also André Tardieu, *The Truth About the Treaty* (Indianapolis, 1921), p. 88.

¹² See George B. Noble, *Policies and Opinions at Paris* (New York, 1935). Wilson had at first suggested that the Peace Conference be held in Geneva.

the Armistice into a definite peace settlement *without the League*. It took much maneuvering and considerable compromising on Wilson's part to get the Covenant back to the forefront of the negotiations. In the process, some of his Fourteen Points were sacrificed to claims advanced on the basis of the wartime secret treaties of the European Allies.¹⁸ His conviction that the former enemy states should at once be admitted to the new League was overruled because of French opposition. On the mandate question he won a partial victory when he prevented the outright award of the former German colonies to the British Dominions, France, and Japan. But the contention of German unfitness to administer colonies, and therefore to receive any of the new colonial mandates, was left unchallenged. Although Wilson stubbornly held out against the Italian claim to the entire Dalmatian coast, he yielded to the Japanese on the disposition of the Shantung Peninsula. On many of the intra-European boundary changes, Wilson seems either to have been poorly informed or to have regarded such questions as of relatively minor importance. On the economic clauses of the Treaties, he admitted, in considerable part at least, the French thesis that Germany should be forced to pay a war indemnity over and beyond what was implied by the conditions of the Armistice, and agreed to the confiscation of German patent rights, merchant marine, cable properties, and foreign investments.

Whether, by more skillfully and courageously utilizing his position as head of the most powerful state in the world, President Wilson could have got the League and at the same time a more liberal peace settlement, is a controversial question which it is futile to argue here. What must be recognized is the indubitable fact that the League of Nations, although "conceived in generosity, was born in sin." If to the catalogue of injustices already cited, there be added the charge of exclusive war guilt against Germany, which was written into Article 231 of the Treaty of Versailles, and the refusal of the Allies to allow the representatives of the defeated states to participate in the peace discussions, it is easy to understand how the hated *Diktat von Versailles* should have become the symbol of a revenge psychology in postwar Germany and the lesser ex-enemy states. At the same time, the peace settlement, aside from its economic provisions, was not nearly so bad as the German nationalists (and some liberals) have subsequently contended. As Professor Shotwell, one of the technical advisers of the American delegation, has pointedly observed, the peace treaties have been charged "with much for which they were not to blame,"

¹⁸ According to Wilson's official biographer, Ray Stannard Baker, the President thought he could make a better peace if he deliberately ignored the secret treaties. See Baker's *Woodrow Wilson: Life and Letters*, Vol. VIII: *Armistice, March 1—November 11, 1918* (New York, 1939).

the war itself being "chiefly responsible for much that was attributed to the treaties, and pre-war Europe was responsible for the issues of the war."¹⁴ Granting the validity of this judgment, the fact remains that, with the League Covenant forming Part I of each of the five peace treaties, the Geneva institution inevitably came to be identified with the alleged iniquities of the whole settlement, even though the League itself was given no power to adjust the most flagrant injustice of all—the gigantic reparations bill. Both Wilson and Smuts expected the League to rectify the mistakes of the treaties, most of which they recognized. Their error was to overestimate the strength of the popular will to build a new international order in the welter of such nationalistic passions as had been provoked by the worst war in history.

THE EVOLUTION OF THE COVENANT

We are now ready to examine the textual provisions of the League Covenant as it finally took shape in the Peace Conference. At the second plenary session of the Conference on 25 January 1919, the decision was taken to set up a League of Nations Commission on which the principal Allied and Associated Powers should have majority representation and of which President Wilson should be the chairman. This Commission took as the basis of its discussions a composite draft drawn up by Sir Cecil James Hurst and David Hunter Miller, the legal advisers of the British and American delegations, respectively. This document had been prepared following the formulation of a *second* and a *third* draft by President Wilson himself, along with an official British draft embodying in large part the Cecil memorandum. Though President Wilson did not entirely subscribe to the Hurst-Miller draft, and proceeded to make still a *fourth* draft of his own, the former document was given right of way over a French and an Italian

¹⁴ In his *At the Paris Peace Conference* (New York, 1937), p. 5. Lloyd George, in his *Memoirs of the Peace Conference* (2 vols., New Haven, 1939), defends the treaties by reference to the postwar delinquencies of European and American statesmanship: "It is not the Treaties that should be blamed. The fault lies with those who repudiated their solemn contracts and pledges by taking a discreditable advantage of their temporary superiority to deny justice to those who, for the time being, were helpless to exact it." (I, vi.) "Between the retreat of America and the treacheries of Europe the Treaties of Peace were never given a fair trial." (II, 914.) To the British War Premier, Poincaré is the "devil in the piece." See also Harold Nicolson's brilliant but biased appraisal of President Wilson's rôle at Paris, contained in his *Peacemaking, 1919* (Boston, 1933). From his observations as a young Foreign Office official attached to the British delegation, Nicolson holds that the puritanical strain in Wilson's make-up had much to do with his inability to cope with the "sinister" forces of power politics. The American State Department now has under way the publication of the notes of the conversations between members of the "Big Four" at Paris (Wilson, Lloyd George, Clemenceau, and Orlando).

plan, also submitted to the Commission. When the latter body began its meetings early in February, the joint leadership of Wilson and Cecil immediately took command. The preliminary text of the Covenant, which was driven through the Commission in only fifteen meetings over a period of eleven days, bears the unmistakable imprint of this Anglo-American collaboration.

There were, however, important conflicts of view between the British and the Americans which had to be ironed out before a text could be agreed upon. Wilson was much more interested in the establishment of certain international policies, such as disarmament, the freedom of the seas, the reduction of trade barriers, and territorial guarantees, than in the details of the League framework. The result was that there "emerged a British *framework* together with a number of Wilsonian policies."¹⁵ Another clash of opinion, involving the French as well, developed over whether League decisions should be implemented by an international police force. On this crucial point it appears that President Wilson was at first somewhat enamored of the French thesis, but later shifted his position when he came fully to realize its "superstate" implications. No country, least of all his own, would, he concluded, "permit an international staff to know and interfere with its own military and naval plans."¹⁶ As a concession to the French point of view, Wilson joined with Cecil in proposing a permanent commission to advise the League on the execution of provisions relative to disarmament and on military and naval and air questions generally—a proposal that later became Article 9 of the completed Covenant. A third controversy, centering about the composition of the League Council, solidified the small states against the four major powers. The British preferred to limit Council membership to the Great Powers, arguing (1) that the past experience with "the European Concert" pointed to the wisdom of giving the major states of the world a responsibility commensurate with their power, and (2) that the smaller countries would all have in the Assembly a voice and vote equal to that of the Great Powers anyway. Although he had earlier expressed himself as favoring small state representation on the Council, Wilson now became convinced of the practicality of the British view. Perhaps hoping thereby to lessen Anglo-Saxon dominance on the Council, the French threw their support to the small state bloc and the two English-speaking countries were forced to yield. The upshot was a Council to be composed of five permanent members (United States, Britain, France, Italy, and Japan), together with four nonpermanent members to be elected by the Assembly. As events later turned out, what with the rejection of the League by the United States, the Great Powers never acquired a numerical

¹⁵ Zimmern, *op. cit.*, p. 239.

¹⁶ Miller, *op. cit.*, II, 478.

majority. Indeed, after 1922 they found themselves actually in a minority.¹⁷

In the light of subsequent international history, it is worth recalling that two proposals pressed by the Italian and the Japanese representatives met categorical rejection. The Italians presented an ambitious scheme for an international legislature with power to change existing international law and treaty relationships whenever necessary. Here was a bold, dynamic conception stemming from the idea that peace depended upon the development of "justice through equity." As a nation seriously deficient in raw materials, Italy was already suffering from the abandonment of the inter-Allied system of economic rationing and control. Her delegates, therefore, argued that the League should set up an "economic commission" and a "labor commission," the object of the first being "to procure and furnish data for the solution of international problems of an economic and financial character in such a way as to facilitate the progressive and harmonious co-ordination of the interests of every country in this field."¹⁸ What the Italians had in mind was the development of League machinery to control the international distribution of foodstuffs and raw materials. Although this proposal smacked too much of international state socialism to secure the approval of the Anglo-Saxon Powers, it was to be reiterated by Italy during the early postwar years, and eventually it was expanded into the fascist claim for colonies and raw materials in order that Italy might emerge from her "proletarian" status.

With the Japanese, it was not economics, but the racial question, that provided the crucial issue at Paris. Feeling keenly the stigma of racial inferiority implicit in Anglo-Saxon policy respecting Oriental immigration, the Japanese representatives tried repeatedly to get a declaration of *racial* equality inserted into the Covenant—as a corollary of the principle of *national* equality. But the British Empire delegation, pressed by Australia, remained adamant against any such declaration, and President Wilson, afraid of its adverse repercussions upon American opinion, joined the British in opposing it. The rejection of the racial equality amendment amounted to an affront to Japanese *amour propre* which Japan never forgot, even though, as partial compensation, it was awarded the Shantung Peninsula by Wilson and the British.

Eliminated along with the Japanese racial equality proposal was a "re-

¹⁷ In 1922 the nonpermanent members were increased from four to six, and in 1926, when Germany became a permanent member, from six to nine. At that time the Covenant was amended by giving the Assembly the authority to make rules regulating the term and reeligibility of nonpermanent members. Acting on this authority the Assembly fixed a three-year term, with elections by a "staggered" arrangement, and decided that states could, by a two-thirds vote, be declared reëligible for additional terms. In practice, this system had the effect for several years of giving certain states, such as Poland and Spain, "quasi permanence" on the Council. Since 1936 there have been eleven nonpermanent members on the Council.

¹⁸ Quoted in Zimmern, *op. cit.*, p. 256.

ligious equality" article sponsored by Wilson himself. Admitting the logic of the Japanese observation that "matters of religion and race could go well together," the Covenant-makers met the difficulty "by letting them disappear from the Covenant altogether."¹⁹

In many respects, the most important conflict of opinion in the Commission arose over the nature of the territorial guarantee clause which, to Wilson as well as to the French, though in different ways, seemed "the key to the whole Covenant." In Wilson's third draft, the positive guarantee of "political independence and territorial integrity, as against external aggression," was tempered by including, in the same article, a provision for what later came to be called "peaceful change." Whenever, in the judgment of three-fourths of the delegates to the League Assembly, territorial readjustments should be demanded "by the welfare and manifest interest of the peoples concerned" they were to be effected "if agreeable to those peoples and to the States from which territory it is separated or to which it is added."²⁰ Partially because of its studied vagueness, this "peaceful change" provision disappeared from the Hurst-Miller draft. Indeed, there is no reference to peaceful change in Wilson's own fourth draft. During the debates in the Commission, Lord Robert Cecil introduced an amendment providing for "the periodic revision of treaties which have become obsolete and of international conditions the continuance of which may endanger the peace of the world." Although defeated in this form because of opposition from Wilson, the Italians, and to a certain extent the French, a watered-down provision for treaty revision eventually got into the Covenant text as Article 19, which reads as follows:

The Assembly may from time to time advise the reconsideration by Members of the League of treaties which have become inapplicable and the consideration of international conditions whose continuance might endanger the peace of the world.

Separated as this "pious" declaration was from Article 10, which contained the mutual guarantees against aggression, and failing to provide any method for overcoming the veto of states whose interests might be affected, it was later to prove totally inadequate as a means of securing the revision of any of the territorial provisions of the Paris peace settlement—against the stubborn resistance of France, Poland, and the Little Entente countries.

Before they reached final textual form, the *guarantee* provisions of the Covenant were also considerably weakened. Instead of employing the positive term "guarantee," Article 10 merely declares that "the Members of the League undertake to respect and preserve as against external aggression

¹⁹ Morley, *op. cit.*, p. 123.

²⁰ From Article III of this draft as reproduced in Miller, *op. cit.*, II, 99.

the territorial integrity and existing political independence of all members of the League." Since, to the logical-minded French, this appeared to be only a declaration of "principle," a second clause was added, at their suggestion, which read: "In case of any such aggression or in case of any threat or danger of such aggression, the Council shall advise upon the means by which this obligation shall be fulfilled." Precisely what was meant by "advise" is not made clear anywhere in the Covenant. Presumably, however, such advice, under the unanimity rule laid down for Council decisions by Article 5, could not be given over the opposition of any of its members. Since they were always to include the Great Powers, collective action could easily be blocked. At the time this provision of the Covenant was agreed upon, the French apparently anticipated that the matter would be clarified in the articles relating to the machinery of pacific settlement and sanctions, but this was not done. As a consequence, the famous Article 10, upon which Wilson laid particular stress in his campaign to induce the American Senate to accept the League, came to have only a moral value. For many years, however, France insisted upon giving this Article a "positive" interpretation. "Thus the 'key to the whole Covenant,' so far from unlocking the riddle, became itself a cause of confusion, conveying one meaning to the French-speaking and another to the English-speaking members of the League."²¹

There were other reasons why the Covenant's peace-enforcement machinery (Articles 10-17) did not fully satisfy France and her Continental Allies. In the first place, the principle of *compulsory* arbitration was not adopted for any class of dispute. Under Article 12, members of the League merely agree that "if there should arise between them any dispute likely to lead to a rupture, they will submit the matter either to arbitration or judicial settlement or to inquiry by the Council." In no case may they legally resort to war for three months—a provision reminiscent of the Bryan "cooling off" idea. Article 13 defines as appropriate for arbitration or adjudication four kinds of disputes:

- (1) cases arising out of the interpretation of a treaty,
- (2) cases involving any question of international law,
- (3) controversies as to the existence of any fact which, if established, would constitute a breach of any international obligation, and
- (4) questions as to the extent and nature of the reparation to be made for any such breach.

For the consideration of the above-defined disputes, any *ad hoc* tribunal upon which the parties can mutually agree, or the new Permanent Court of International Justice, is declared to be a suitable agency. Since no agree-

²¹ Zimmern, *op. cit.*, p. 242.

ment on the nature of the Court could be reached at Paris, the Council, in Article 14 of the Covenant, was commissioned to prepare plans for its establishment and to submit them to the League members for adoption.²² In justification of the failure to incorporate the principle of compulsory arbitration, it was argued that the creation of a permanent court would gradually lead to the voluntary submission of disputes for judicial settlement. If, moreover, arbitration were made obligatory in the Covenant, it was feared that needless opposition to the League might be provoked.

The omission of compulsory arbitration does not, however, constitute the most serious gap in League machinery of pacific settlement. To be sure, the Covenant does obligate League members to submit to some pacific procedure all disputes of whatever nature. If they are neither settled by direct diplomacy nor submitted to arbitration or judicial settlement, they must, according to Article 15, be referred to the League Council. The Council may, on its own initiative, refer the dispute to the Assembly; upon the request of either party, within fourteen days of its submission, it must be so referred. Any party to such a dispute may effect such submission merely "by giving notice of the existence of the dispute to the Secretary-General." The latter official must "make all necessary arrangements for a full investigation and consideration thereof." Stated in more general terms, the Council was to function as an immediately available agency of mediation, conciliation, and inquiry. During its investigation of a dispute, any and all states involved therein have the right to be represented on the Council, whether they are Council members at the time or not. The Council's first duty is to try to induce the disputant parties to settle the controversy themselves, in which event the terms of settlement must be published. If this mediatory procedure fails, a report must be issued on the facts of the case, together with such recommendations as are "deemed just and proper in regard thereto." If this report is unanimously agreed to, *not counting the votes of those members directly involved in the dispute*, the members of the League agree not to go to war with any party complying with its recommendations. If, on the other hand, the report fails to secure unanimous approval in the Council, excluding the parties to the dispute, League members reserve "to themselves the right to take such action as they shall consider necessary for the maintenance of right and justice." In other words, at the expiration of the three months' delay period, the disputant states may resort to war without violating their obligations as League members. This contingency of a divided Council constitutes the most serious loophole in the antiwar provisions of the Covenant. At one stage in the discus-

²² The Court did not actually begin to function until 1922, after its "statute" had been drawn up by a special Commission of Jurists and formally approved, with certain amendments, by the Council and Assembly. See pp. 509-516, *infra*.

sions at Paris, Belgium, supported by France, Serbia, and Greece, offered an amendment which would have bound League members to abide by a simple *majority* report of the Council, but Anglo-Saxon opposition to the "superstate" aspect of this proposal led to its defeat.

Failure to secure unanimity in the Council is not the only situation in which a state of war may become legal. According to Article 12, paragraph 2, the report of the Council must be made within six months after the submission of a dispute. Presumably, therefore, if this body fails to conclude its investigation within this period, the disputant parties regain their freedom of action. Under Article 15, paragraph 6, if *both* parties refuse to abide by the recommendations of a *unanimous* report, other members of the League are apparently free to use force against one or both of the recalcitrant parties.

Whatever importance may be attached to the foregoing contingencies, the Covenant contains a fourth breach in its peace structure. In the hope of appeasing Republican opposition to the League in the United States, President Wilson secured the inclusion of a provision (Article 15, paragraph 8) which bars the Council from acting in any dispute claimed by one of the parties to be within its "domestic jurisdiction." Because a great many dangerous disputes do actually involve matters of domestic policy—on immigration, tariffs, armaments, the status of minorities, and the like—it was realized that this reservation, if carried to its logical conclusion, might well undermine the whole League antiwar system. To be sure, under the provisions of Article 11, such questions may be brought to the attention of the Council or Assembly by any member of the League "as a friendly right." But this Article sets up no specific procedure. Nor can any remedial action be taken, under its authority, without *absolute* unanimity. Any member of the Council may block the passage of even the mildest form of admonitory resolution; or even if such a resolution were adopted, it could be disregarded with impunity. Nowhere in the Covenant is there any positive, all-inclusive obligation not to use war "as an instrument of national policy." The League approach to the problem rests upon the efficacy of inquiry and delay, rather than upon the actual "outlawry" of the use of force in international affairs. Under one or more of the circumstances outlined above, a member state may, on its own initiative, still employ coercion against other states.

While this possibility undoubtedly helped to fortify the French suspicion that the League system would offer inadequate security against disturbers of the *status quo*, France was further alarmed by the implications of another concession made by Wilson to American critics of the Covenant. This was the Monroe Doctrine reservation. In the modified

form in which it was finally written into the Covenant as Article 21, this reservation reads as follows:

Nothing in this Covenant shall be deemed to affect the validity of international engagements, such as treaties of arbitration or regional understandings like the Monroe Doctrine, for securing the maintenance of peace.

To the French it did not seem logical that the Covenant should make direct reference to any national foreign policy. Their real concern, however, was whether the United States, with the Monroe Doctrine operating in the Western Hemisphere, could be expected to intervene in Europe in order to protect the new territorial *status quo* in case it should be endangered by aggression. Indeed, it was partially on account of this French fear that the Monroe Doctrine reservation was separated from Article 10 and placed elsewhere in the Covenant.

The aggregate effect of these "gaps" in the Covenant guarantee machinery, in conjunction with the refusal of Britain and America to agree to any form of direct League control over armaments or to set up an international police force, was to turn France toward a defensive alliance system of her own. As M. Bourgeois, the most League-minded of the French delegates, put the matter when Article 15 was formally approved: "The whole idea of obligation has now disappeared. It will, therefore, be necessary to continue and to conclude separate alliances, inasmuch as the League admits its inability to offer a formal guarantee of protection to its own members."²⁸ Despite President Wilson's assurance that the Monroe Doctrine would not prevent the execution of a unanimous decision of the Council anywhere in the world, war-shocked French opinion was not satisfied. Its official spokesmen, Poincaré and Clemenceau, fought long and hard to secure the Rhineland for France. Balked in this effort by Wilson and Lloyd George, Clemenceau finally agreed to a demilitarized zone extending fifty kilometers east of the Rhine, and to a fifteen-year occupation of its left bank and bridgeheads, in return for which France was to receive the Saar coal mines, and the final status of the Saar Valley was to be determined by a plebiscite in 1935, a League of Nations Commission controlling its administration during the intervening period. By this arrangement, the League became the agent, as it were, for the execution of a set of treaty provisions which at once aroused bitterness in Germany. As a further part of the bargain with Clemenceau, Lloyd George and Wilson signed a tripartite treaty of alliance pledging their countries to come to the aid of France in case her

²⁸ Quoted in Morley, *op. cit.*, p. 195. It should be pointed out that the French evinced little faith in the efficacy of economic sanctions, even though they were made *obligatory* by Article 16, unless they could be backed up by military pressure, which the Council could only "recommend."

frontiers were menaced by German aggression. Although this treaty was subsequently ratified by France and Britain, the United States Senate refused even to consider it, as Wilson must have suspected would happen, because it violated so completely the traditional policy of the United States against "entangling alliances." This action on the part of the United States automatically released Great Britain from any obligation.

Disturbed by the weaknesses in the League guarantee system, and failing to secure any specific commitment of aid from her Anglo-Saxon associates, America having by 1920 rejected the League lock, stock, and barrel, French policy during the first years after the Peace centered upon the construction of a series of defensive alliances with Poland, Belgium, and Czechoslovakia—all of which, like France, had a vital stake in the preservation of the Versailles *status quo*. As we shall see later, this alliance policy, while not technically inconsistent with the League Covenant, strengthened the German belief that what France really sought was to "encircle" her eastern neighbor and keep her in a state of indefinite inferiority as a European power. Had France been disposed to place more trust in the good intentions of the leadership of the Weimar Republic, as well as in that aspect of the League system which emphasized peaceful collaboration through conference and inquiry, the effort to "organize" European peace by way of Geneva would not have had to wait until the middle 1920's for fulfillment—temporary though it turned out to be. By that time enough irreparable damage had been done to the economic and psychological fabric of central Europe to render sterile the remedial measures undertaken at Geneva.

XXII

THE LEAGUE SYSTEM OF INTERNATIONAL COÖPERATION

"Lauded and abused, defended and condemned, relegated to the dead and praised as the great hope of the future, the Geneva League of Nations suggests the words of Schiller's Prologue to *Wallenstein's Camp*: 'By party favor and by hate confused, his image staggers down through history.'"—HERBERT KRAUS, *Germany in Transition*, p. 75.

EVEN though the present League of Nations be doomed to premature death by the impact of totalitarian imperialism, for twenty years it has been at once the most hopeful and most misunderstood experiment in world organization that modern man has yet seen. Whether the failure to realize the ambitious hopes of its founders was due primarily to defects of structure or to the stubborn resistance of a nationalistic state system, is likely to be debated for a long time. Without pretending to answer this question with any finality, the next three chapters of this book must necessarily be concerned with its far-reaching implications. In the present chapter we shall attempt, by way of introduction, to give an over-all picture of the League system.

WHAT THE LEAGUE IS NOT

At the outset it is necessary to dispose of various misconceptions regarding the League that have had wide currency during the two decades of its troubled existence. On one point there can be no doubt. The League was never conceived of by its founders either as a *superstate* or as an *international federal system*. The evidence in support of this view is overwhelming. First of all, membership in the League is *voluntary*. "Any fully self-governing state, Dominion, or Colony," states Article 1 of the Covenant, "may become a Member if its admission is agreed to by two-thirds of the

Assembly, provided that it shall give effective guarantees of its sincere intention to observe its international obligations," etc.¹

Viewed retrospectively, the insertion of "self-government" as a qualification of membership may seem strange, seeing that India and several other initial members could scarcely be called "self-governing." This inconsistency was admitted at the Paris Conference. At the same time, President Wilson was determined that there should be some "express recognition of the principles of democracy" in the Covenant, for to him and the liberal opinion of his day democracy seemed destined to spread over the earth and the League was to be an instrumentality of international collaboration in the spirit of democracy. Little did the peacemakers of 1919 foresee what devastating blows democracy was to suffer during the next twenty years! As a matter of fact, many of the states that entered the League after 1920 were anything but democracies in the Wilsonian sense.²

In the second place, League members possess the free right to withdraw at any time, although, according to Article 1, they must give two years' notice and must have fulfilled all their obligations under the Covenant. Down to the time these lines went to press, nine members had exercised this privilege and four others had given notice of their intention to do so. Most conspicuous among the states that have left the League are the so-called "Axis Powers"—Japan and Germany (1935) and Italy (1939).³ From 1920 to 1933 the Argentine's membership remained on a precarious basis, pending approval of the Covenant by the Argentine Congress. Mexico, admitted in 1931, gave notice of withdrawal in 1932, but later rescinded it, as did Spain in 1926. Ironically enough, four states—Ethiopia, Austria, Czechoslovakia, and Albania—have perforce lost League membership by losing statehood itself at the hands of aggressors which the League proved powerless to stop. In all, sixty-three states have at one time or another held League membership. The United States and two small Arabian states are the only countries that have never belonged to the organization. In 1920, when the Covenant first came into operation, the League had twenty-three members. Fifteen years later the number had reached a maximum of fifty-nine. The period since 1935 has been marked by a fairly steady exodus. If all those

¹ The original membership was to include the thirty-two signatories of the Peace Treaties, together with thirteen "neutral" states named in the Annex to the Covenant and invited to accede to its provisions. The Soviet Union and Mexico were significantly omitted from this list, the first by consensus of opinion, the second chiefly because of the strained relations then existing between the United States and its southern neighbor.

² The "nondemocratic" entrants included Ethiopia, admitted in 1923; Turkey and Iraq (1932); the Soviet Union and Afghanistan (1934); and Egypt (1937). Other members admitted from central Europe and Latin America occupy a doubtful category.

³ These dates indicate the expiration of the two years' notice. Other ex-League members include Costa Rica (1927), Brazil (1928), Paraguay (1937), and Guatemala, Honduras, and Nicaragua (1938).

states that have now given notice carry through their intention to withdraw, League membership will drop below fifty. At the end of 1939, of the seven Great Powers, only two (Britain and France) remained in the League.

League membership may be terminated in two other ways. Under Article 16 (paragraph 4), the Council may by unanimous vote, minus the state in question, expel any member which has violated any covenant of the League. There was some talk of applying this provision to Japan during the Manchurian affair of 1931-33, but the proposal was eventually discarded.⁴ In December 1939, however, the Soviet Union was formally expelled as a penalty for its aggression upon the Republic of Finland. Under the third method by which membership may end, a state signifies its dissent from an amendment to the Covenant (Article 26). Power to amend is conferred jointly upon Assembly and Council. An amendment may be initiated by a three-fourths vote of the former body, provided the representatives of all members of the Council concur therein. To become effective, an amendment must be ratified by a majority of League members, including all Council representatives. If any state disapproves an amendment, it has the alternative of tacitly yielding to the will of the majority or of officially signifying its dissent, in which event it "ceases to be a member of the League." As yet, no state has employed this procedure for the purpose of leaving the League. While over fifty proposals for revising the Covenant have been made, difficulties and delays in securing ratification have given rise to the alternative method of change by means of interpretative resolutions not requiring ratification. Only two formal amendments of any real importance have gone into effect. One of these gives the Assembly power (Article 4) to fix rules governing the election of nonpermanent Council members, while the other (Article 6) authorizes the Assembly to decide the basis for allocating budgetary assessments among League members.⁵ The fact that the Covenant is a relatively brief document, devoted mainly to structure and general principles, has minimized the need of formal amendment. In a 260-page edition of the Treaty of Versailles, the Covenant, as Part I, covers only 20 pages.

The third indication that the League is not a federation, let alone a superstate, is found in the absence of any coercive power over its members. This is implicit in the unanimity rule.⁶ In various ways the Council and

⁴ See pp. 574-585, *infra*.

⁵ The original Covenant stipulated that expenses should be apportioned according to the formula used by the Universal Postal Union.

⁶ "The Covenant system as a whole, then, was not an attempt to establish a complete form of world government. It was a cautious step in that direction, going as far as its framers thought politically possible. The narrow limitation of the matters on which majority decisions (or even decisions by all except the disputants) could be taken, the 'gap' for resort to war after delay and disagreement, are instances of the acute sense of the framers of the Covenant

the Assembly may advise or recommend action, but there is no enforcement machinery. Their powers, furthermore, are derived not from the peoples of the member states, but from governments. In contrast with a truly federal government, League authority does not reach down to the individual. It cannot even impose taxes upon member governments. Like the American Congress under the Articles of Confederation, the League Assembly votes an expenditure budget each year, but it lacks any way of compelling member states to pay their contributions.⁷

Nor does the League possess any direct territorial jurisdiction. For the first fifteen years of its existence the offices of the Secretariat occupied rented property—a former Geneva hotel. From 1920 to 1925 the Assembly met in the *Salle de la Réformation*; subsequently, in the *Salle du Conseil Général*, a public building belonging to the municipality of Geneva. In 1924 the Assembly decided that the League should have an appropriate edifice of its own. After several years of argument over competing architectural designs, a composite plan was finally accepted and in 1929 the foundation stone of the magnificent new *Palais des Nations* was laid in Ariana Park on land given to the League by the City of Geneva. Seven years later the Secretariat moved into one wing of this imposing building, and in 1938 the Assembly met for the first time in the beautiful new hall set aside for its use.⁸ According to the Covenant (Article 7), “the seat of the League is established at Geneva,” but the Council may at any time order the transfer of the League headquarters to some other place.⁹ The imminence of another Euro-

that if obligations were not strictly limited they would probably not be observed, even if they were formally accepted.”—SIR ARTHUR SALTER, *Security: Can We Retrieve It?* (New York, 1939), p. 107.

⁷ At various times, particularly during the recent period of League decline, numerous states have allowed their contributions to fall behind, though most of them have eventually paid up. The annual budget of the League is calculated in Swiss gold francs. Since 1931 it has fluctuated around a total of 30,000,000 francs, or about \$6,000,000—a smaller sum, incidentally, than the amount spent annually by many medium-sized American cities and hardly enough to build a good cruiser! Like many national governments, the League has felt the pinch of economy these past few years—a situation now aggravated by the shrinkage of League membership. For 1938, the budget, calculated in terms of Swiss francs at the devalued rate (nearly 30 per cent lower than the old basis), was allocated roughly as follows:

	THOUSANDS OF FRANCS
Assembly, Council, Secretary, conferences and committees.....	15,900
International Labor Organization.....	8,300
Permanent Court of International Justice.....	2,900
Miscellaneous, buildings, and pensions.....	5,100
GRAND TOTAL	32,200

⁸ The total cost of the new League buildings, whose dimensions equal those of the Palace of Versailles, was nearly 30,000,000 gold francs. For the construction and endowment of the Library wing a gift of \$2,000,000 was accepted from Mr. John D. Rockefeller, Jr. (See the accompanying diagram.)

⁹ When the Covenant was being formulated, two other cities, Brussels and The Hague, were proposed for League headquarters. But “Geneva, by reason of its religious associations,

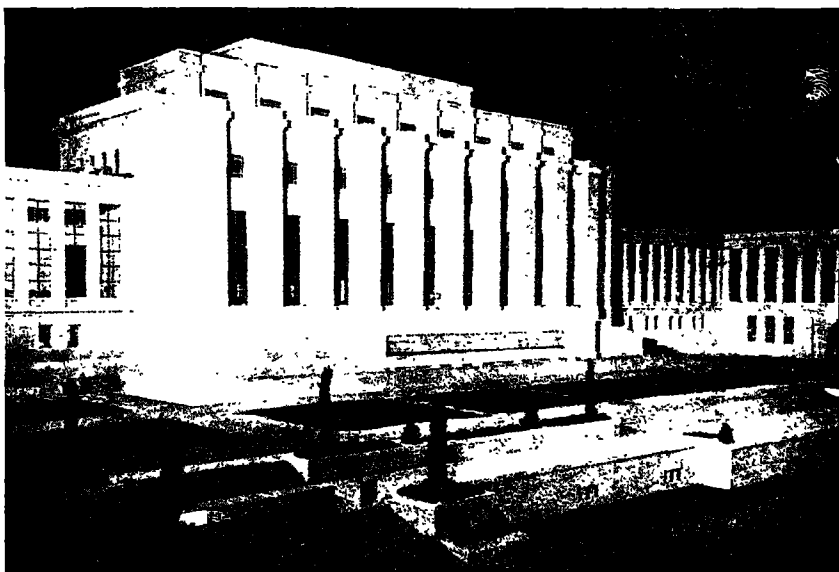
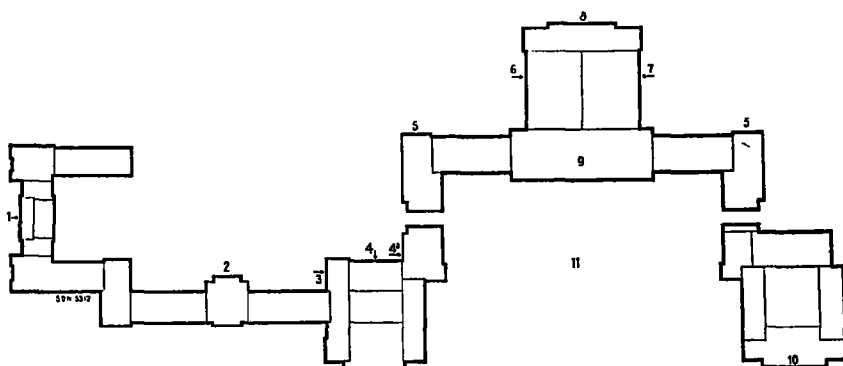


FIG. 25.—THE LEAGUE OF NATIONS ASSEMBLY HALL, EXTERIOR VIEW.
Reproduced by courtesy of the League of Nations Secretariat.



PLAN OF BUILDINGS

- | | |
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| 1. Entrance to Secretariat. | 6. Public entry to Assembly Hall. |
| 2. Central Hall of Secretariat. | 7. Entrance for Press to Assembly Hall. |
| 3. Entrance for Press to Council Room. | 8. Delegates' entrance. |
| 4. Delegates' entrance. | 9. Lobby. |
| 4a. Public entry to Council Room. | 10. Principal entrance to Library. |
| 5. Public entry to Committee Room. | 11. Court of Honour. |

FIG. 26.—THE HEADQUARTERS OF THE LEAGUE OF NATIONS.

pean war in 1939 led the Swiss government to notify the League to be ready to evacuate its Geneva headquarters within forty-eight hours in case of hostilities. At the time League officials were reported to have arranged with the French government for emergency quarters somewhere in eastern France. When this book went to press, the Secretariat, despite the European war, still held the "fort" in Geneva.

Although the League Covenant does not appreciably curtail the operation of national sovereignty, there is a slight recognition, so to speak, of "League sovereignty." Article 7 grants diplomatic privileges and immunities to all representatives of League members and officials of the League when engaged in League business. By a *modus vivendi* entered into with the Swiss government in 1926, League officials are exempt from civil and criminal jurisdiction, as well as from income and import taxes. While on official duty, League officials carry special passports. Upon appointment, they are required to take an oath of loyalty to the League. During the period of League employment, they may not be candidates for public office in their home countries nor receive any decorations or honors from any national government. Finally, the Covenant declares that "the buildings and other property occupied by the League or its officials or by Representatives attending its meetings shall be inviolable."

THE LEAGUE AS A COÖPERATIVE INSTRUMENTALITY

If the Geneva League is neither a superstate nor a federal union, is it a *confederation*? Political theorists have spilled much ink in trying to decide this question. As a matter of fact, aptly remarks Professor Rappard, "the institution itself defies classification on any traditional basis. It does so just because of its novelty. . . . The League of Nations is as different from the ententes, alliances and confederations of which history tells us as an aeroplane, for example, is from a litter, a sedan chair, a coach, a train, or a motor car. . . . The League is an international institution more far-reaching in its composition than any previous entente, except the technical unions, and more general in its competence than they were. It is more fully sup-

made a special appeal to President Wilson." Accordingly, it was selected, although Switzerland hesitated for some time before deciding to "accept the responsibility of being the seat of the League." Jealous of its status as a neutralized nation, Switzerland insisted upon assurance from the Council that its territory would not be used by any military force operating under League authorization. Upon receiving this assurance, the Swiss Confederation voted by a small majority to join the League and permit its headquarters to be located at Geneva. C. K. Webster, *The League of Nations in Theory and Practice* (London, 1932), pp. 49-50. In addition to Morley, *op. cit.*, consult C. Howard-Ellis, *The Origin, Structure and Working of the League of Nations* (London, 1928), for the constitutional development of the League.

plied with special institutions but less solidly built than most of the confederations of history. Its aims are more numerous and more ambitious than those of the traditional alliances, but it involves fewer restrictions on the freedom of action of its members."¹⁰ Broadly speaking, we may call the League a world-wide association of states for certain far-reaching purposes. In general terms these purposes are set forth in the Preamble to the Covenant as:

- (1) the promotion of international coöperation,
- (2) the maintenance of international peace and security, and
- (3) the establishment of law and justice as the actual rule of international conduct.

It is significant that in the language of the Preamble the promotion of international coöperation is placed before the maintenance of peace. This sequence suggests that the Covenant makers were concerned fully as much, if not more, with the *positive* side of international relations as with its *negative* or *antiwar* aspect. For various reasons, as we have seen, a complete ban on war was deemed to be unobtainable in 1919. It was hoped, however, that the habit of sustained collaboration would eventually out-mode force as an instrument of national action and result in the abridgement of national sovereignty.

Unique as the League may be in an all-inclusive sense, neither the machinery nor the procedures envisaged by the Covenant are without precedent. The League was not constructed in a vacuum. On the contrary, nearly every phase of its structure has a substantial experiential background. What the Covenant purported to do was to expand, improve, strengthen, and make permanent various international practices which previously had been fragmentary, rudimentary, weak, or sporadic.

In order to promote the broad objectives of the Preamble, three major instrumentalities are established by the Covenant: an Assembly, a Council, and a permanent Secretariat. Since 1920, this central machinery has been supplemented by a cluster of auxiliary and advisory agencies—committees, boards, commissions, and quasi-autonomous organizations—only two of which, the armaments and mandates commissions, were specifically authorized by the Covenant itself. Together with the general Secretariat, these auxiliary agencies constitute the administrative apparatus of the League. Two other agencies, the Permanent Court of International Justice and the International Labor Organization, although for most purposes independent of the League proper, may be considered as belonging to the system as a whole.

¹⁰ W. E. Rappard, "What Is the League of Nations?" in *The World Crisis*, a symposium by the Professors of the Graduate Institute of International Studies (London and New York, 1938), pp. 58-59.

THE ASSEMBLY

The Assembly and the Council serve the League as political instrumentalities, in part deliberative and in part executive in character. The Covenant (Article 3) provided that the Assembly should meet "at stated intervals." It was originally assumed that Assembly meetings would be rather infrequent. At its very first session in November 1920, however, the Assembly decided to hold regular meetings annually in September. Without exception this rule has since been followed. The Assembly may also be convened in extraordinary session at any time by majority vote of itself, the Council, or the League members. Several such sessions have taken place, particularly since 1932, in connection with major international disputes which the League has tried to settle. The Assembly is made up of national delegations, the membership of which may not exceed three representatives, each member state having a single and equal vote. Appointed by member governments, the delegations are customarily headed by the foreign minister or some important diplomat. After 1924 most European members of the League tended increasingly to send their foreign ministers (or premiers) to Assembly meetings.¹¹ The Assembly, therefore, has taken on the complexion of an annual conference of foreign ministers, together with the other cabinet ministers, undersecretaries, and ambassadors that compose the participating delegations. Accompanying the delegates of most states are groups of experts who act as "technical advisers," numbering, in the case of the major powers, as many as thirty or forty. Until recently each Assembly session was also the mecca of a large number of accredited journalists, free-lance publicists, lobbyists, reformers, and curious spectators—all in all the most picturesque feature of the Geneva scene.

Even though it would be inaccurate to call the League Assembly an international parliament, the Covenant (Article 3) does give it the broad right to "deal at its meetings with any matter within the sphere of action of the League or affecting the peace of the world."¹² More concretely put, this means that whenever a substantial portion of the League membership believes that international coöperation would be served by consideration of

¹¹ The percentage of delegations headed by foreign ministers or premiers increased from 12.8 in 1920 to 50 in 1930. See Morley, *op. cit.*, p. 580. Since the latter date the proportion has considerably declined. Many member States have also maintained *permanent* delegations at Geneva so as to keep in direct touch with League affairs during the intervals between Assembly (and Council) meetings. See Harold Tobin, "The Problem of Permanent Representation at the League of Nations," *Political Science Quarterly*, December 1933, and P. B. Potter, "Permanent Delegations to the League of Nations," *American Political Science Review*, February 1931.

¹² The *specific* powers of the Assembly include (1) the admission of new League members, (2) the election of nonpermanent Council members, (3) the proposal of amendments to the Covenant, (4) the consideration of disputes referred from the Council under Article 15, and (5) along with the Council, the election of judges to the Permanent Court.

any particular question, the Assembly may become its forum. Items of business may be proposed by majority vote of the Assembly itself at previous meetings, or by the Council, or by any member of the League. With the approval of the President of the Council the agenda is drawn up several months in advance by the Secretary General; but additional items may be inserted at the request of any member not less than one month prior to the meeting. The Assembly determines its own rules of procedure and internal organization. Since their original adoption in 1920, these rules have been revised from time to time, though without substantial change. At each annual meeting, the first order of business is to elect Assembly officers (a president and eight vice-presidents), appoint committees, and adopt the agenda. The honor of presiding over the Assembly has usually gone to representatives of small states. Although all Assembly committees are created anew each year, six of them have attained virtually a permanent status. Business is assigned to these "standing" committees on a functional basis, as follows:

- (1) legal and constitutional questions,
- (2) technical organizations,
- (3) reduction of armaments,
- (4) budget and financial questions,
- (5) social and humanitarian questions, and
- (6) political questions (including mandates).

To the fourth, or financial, committee the annual budget, as well as every resolution involving expenditure, must be referred for recommendation before action is taken by the full Assembly.¹³ Each standing committee, on which all states have one representative each, elects its own chairman and "reporter." There is also a general steering committee, consisting of the Assembly president, its eight vice-presidents, and the chairmen of the six standing committees and of the agenda and credentials committees. All committee reports are adopted by simple majority vote.

The solid work of the Assembly is done chiefly in committee. The first week or ten days of each regular session is given over to speeches relating, more or less, to the Secretary-General's annual report on the work of the League. This initial stage affords opportunity for the leading delegates to make speeches on almost any subject or situation of current interest. Then the Assembly breaks up into committees—a stage that usually lasts another week or ten days. Finally, there comes the consideration of committee reports in plenary session. If these reports, in the form of draft resolutions and recommendations, have been adopted in committee by unanimous or nearly unanimous vote, their adoption by the full Assembly is usually a

¹³ Rule 14, *Rules of Procedure of the Assembly* (Revised edition, Geneva, 1937).

mere formality. If, on the other hand, there has been a serious division of opinion in committee, the report will often be amended on the floor and sometimes fail to secure the necessary unanimity for final passage. Frequently, when only a few states are opposed, they will voice their objections for the record, but abstain from actually voting against the report, thereby permitting its adoption.¹⁴

In large part, the Assembly's decisions consist of resolutions which do not require subsequent ratification by League members. Such resolutions are of various kinds. One type is the resolution expressing approval of policy previously initiated by the League. Another type is for the purpose of guiding the Council, the Secretary-General, and the various technical agencies in connection with the internal activity of the League. Still a third type, of capital importance to the development of international legislation, is the resolution which instructs the Council to call special international conferences. It was by this kind of Assembly resolution, for example, that the World Economic Conference of 1927 was convened, as well as The Hague Conference of 1930 on the Codification of International Law and the Geneva Disarmament Conference of 1932. Only *constitutional* resolutions, proposing amendments to the Covenant, and *legislative* resolutions, inaugurating international conventions, have to be implemented by formal ratification. As illustrations of these "lawmaking" resolutions, we may cite the ill-fated Geneva Protocol of 1924 and a succession of conventions dealing with the pacific settlement of international disputes and the prevention of war.¹⁵

THE COUNCIL

If it is possible to characterize the Assembly as a public forum where the representatives of all League members, great and small alike, may periodically exchange ideas on international problems, the status of the League Council is less easy to define. As will be recalled, the Council was originally envisaged as a device to insure Great Power control of the League through a modernized "concert" system. The enlarged composition of the Council, however, soon had the effect of subordinating its policy-determining rôle, at least in certain respects, to that of the Assembly. Not only was the position of the Great Powers on the Council weakened by the addition of nonpermanent members, which, by 1926, decisively outnumbered the former, but the Council became correspondingly more unwieldy and less

¹⁴ Nevertheless, there have been notable instances where a single state has blocked final passage by dissent. Thus, in 1923, Persia alone prevented the adoption of an interpretative resolution intended to modify the effect of Article 10 of the Covenant.

¹⁵ See pp. 544-548, *infra* for further reference to these acts.

expeditious as an executive body. Nonetheless, insofar as the League has any executive arm at all, it is supplied by the Council, acting through the permanent Secretary-General. For certain purposes, to be sure, the Assembly and Council have concurrent competence. In identical language with the Article 3 on Assembly powers, Article 4 of the Covenant confers upon the Council the right to deal "with any matter within the sphere of action of the League or affecting the peace of the world." Again, under Article 11, any member may bring to the attention of *Assembly or Council* any circumstance likely to disturb international peace or good understanding. Moreover, according to Article 14, either body may request advisory opinions from the World Court, although in practice the Council alone has, up to the present, exercised this right. For certain other matters, the Council and Assembly are *complementary* organs; that is to say, they have *joint* competence. Within this category fall (1) the election of judges of the World Court; (2) the appointment of the Secretary-General, the Council nominating and the Assembly approving; (3) the designation by the Council of additional *permanent* members of itself (with Assembly approval); and (4) Council action increasing the *number* of its nonpermanent members (again with Assembly approval).

For several reasons, the Council early evolved into a political "executive" not only for the Assembly, but for the League as a whole. The first reason for this is that the Council meets more frequently than the Assembly. Until 1929 regular sessions were held quarterly. Since then they have occurred three times a year—in January, May, and September. In case of emergency, any member of the League (Article 11) may request a meeting, which the Secretary-General must forthwith summon. In all, down to the beginning of 1939, the Council had held 104 sessions, about five a year on the average. While the Council usually convenes in Geneva, it has met several times in Paris and London, as well as, occasionally, in Brussels, San Sebastian, Madrid, and Lugano. In an emergency it is much easier to get the Council into action than the Assembly. "Action is taken and decisions on points of principle are reached chiefly by the Assembly. The Council also takes action and reaches decisions, but it also has more special executive duties such as a smaller body meeting several times a year is better able to perform."¹⁶

It is the Council that appoints the members of all the League's permanent advisory committees, in addition to special committees set up from time to time to report on questions raised by the Assembly. It is the Council that gives instructions to the technical organizations of the League (communications and transit, health, opium traffic, etc.). It is the Council, furthermore, that exercises general surveillance over the personnel, organi-

¹⁶ *The Council of the League of Nations* (Information Section, Geneva, 1938), p. 30.

zation, and work of the Secretariat.¹⁷ The Council also has important duties relative to the construction and maintenance of the League buildings, along with the power to change the location of League headquarters at any time.

The quasi-administrative character of the Council is further recognized by other duties conferred exclusively upon it by the Covenant. According to Article 10, the Council was to advise upon the means of preserving the territorial integrity and political independence of League members when threatened by aggression. Article 13 stipulates that in case a member state fails to carry out in good faith any arbitral award or judicial decision, "the Council shall propose what steps shall be taken to give effect thereto."¹⁸ As indicated earlier, the statute of the Permanent Court was prepared by an Advisory Committee of Jurists appointed by the Council in accordance with Article 14. Under Article 16 it is the duty of the Council to recommend what contribution, military, naval, or air, member governments shall make to "the armed forces to be used to protect the covenants of the League"—a sanctions provision destined, as we shall see later, never to be applied. Although the Council is not explicitly authorized by the Covenant to name an aggressor, it must perforce do this in making arrangements for the application of collective economic pressure, under paragraph 1 of Article 16, if and when League members resort to war in violation of their Covenant obligations. Thus, in the Italo-Ethiopian affair of 1935, Italy was declared the aggressor by Council resolution.¹⁹ As already noted, the Council may expel a member state for violation of the Covenant. Under Article 17, relative to disputes involving nonmember states, it is the Council's responsibility to determine the conditions under which such state or states shall be invited to accept obligations of League membership for the purposes of such disputes, as well as how the provisions of Articles 12 to 16 shall be applied under the circumstances. In case both parties to a dispute between nonmember states refuse to accept the Council's invitation, the latter body "may take such measures and make such recommendations as will prevent hostilities and will result in the settlement of the dispute." In 1937 the Chinese government invoked the provisions of this article against Japan, although it subsequently agreed to have the question dealt with by the Far Eastern Advisory Committee of the Assembly.²⁰ By Article 8, the Covenant authorized the Council (1) to formulate plans for the reduction of armaments and (2) to advise how the evil aspects of the manu-

¹⁷ All staff appointments carrying salaries of 8000 francs or over must be approved by the Council. The Assembly has also concerned itself with staff problems, chiefly by ordering investigations through *ad hoc* committees.

¹⁸ This provision has been invoked only once—against Hungary in 1928.

¹⁹ The Ethiopian case is discussed in detail in a later chapter (see pp. 618-623, *infra*).

²⁰ See pp. 642-649, *infra*.

facture of munitions might be prevented. Here again, as will be evident later, the failure of the League to draw all the Great Powers into its membership caused the Council to delegate the concrete task of preparing an arms convention to a special commission in which the United States and the Soviet Union agreed to participate. Acting under authority granted in Article 22, the Council drew up the terms of colonial mandates. It appoints the Permanent Mandates Commission, receives the annual report of this body, and may address observations to any mandatory power regarding the manner in which it is carrying out its mandate.

In addition to the foregoing Covenant provisions, various treaties have conferred special powers upon the Council. Under the Paris Peace Treaties, the Council was made responsible for the government of the Saar territory during the fifteen-year period 1920-35. At the expiration of this period it was the Council that made arrangements for holding the plebiscite as a result of which the Saar inhabitants voted overwhelmingly to return to Germany. Until Danzig was seized by Germany in 1939, the League High Commissioner to the Free City held office by authority of the Council. Under the provisions of the Peace Treaties and various bilateral minorities conventions concluded after the War, the League was made responsible for guaranteeing obligations of international concern on behalf of racial, linguistic and religious minorities in Poland, Austria, Bulgaria, Czechoslovakia, Yugoslavia, Hungary, Rumania, Greece, and Turkey. Declarations made before the Council by Finland, Albania, Lithuania, Estonia, and Iraq, when they were admitted to the League, contained similar guarantees. It fell to the Council (1) to work out a procedure for hearing complaints against discrimination from aggrieved minorities under these provisions and (2) for reminding the offending states of the nature of their minority obligations.²¹ Finally, under the now defunct Locarno Treaties, the League Council was given control over the execution of measures to be taken in case the mutual guarantee of the Franco-German and Belgo-German frontiers was violated by any of the signatory Powers.

In varying degree, all of the foregoing Council powers are of an executive or administrative nature. At times administrative action tends inevitably to merge into policy formulation. When this happens, the Council may act independently of the Assembly or it may seek or follow advice from the larger body. In no case, however, does it formulate policy for the Assembly. Neither is it responsible to the Assembly in the sense that a cabinet is responsible to the legislature in a parliamentary system. Nor is its

²¹ C. A. MacCartney, *National States and National Minorities* (London, 1934), Part II. Lack of adequate machinery for conducting investigations on the spot, or of power to compel states to modify their internal policy affecting minorities, gradually nullified the value of these guarantees to the point where, today, with the League impotent, they are a dead letter. See also Julius Stone, *Regional Guarantees of Minority Rights* (New York, 1934).

position comparable to that of an upper house in a bicameral legislature. "The Assembly represents the League in principle, the Council, the League in fact: a curious mixture of coöperative world administration and of competitive international diplomacy."²² As an administrative body, the Council does not directly operate or manage governmental services like a national ministry: its function is rather to supervise and coördinate activity based upon the willingness of states to coöperate administratively for common purposes.

As a diplomatic body, the Council performs mediatory and conciliatory functions. In the minds of the Covenant drafters, it was to be an immediately available agency for the consideration of all international disputes not settled by other means—an agency whose prestige would be assured by the constant participation of Great Power representatives in its deliberations. It was also to have the advantage of a *permanent* organization, in contrast with the *ad hoc* machinery of conciliation used before the War. Through the instrumentality of the Council, the hope was that compulsory conference and neutral inquiry would become normal procedures for adjusting political controversies and minimizing friction between states. In essence, this is the meaning of the provisions of Articles 4, 11, and 15 of the Covenant. Why the full implications of these provisions were never realized will become clear when we consider the League system in practice.

Although it is the League's principal administrative organ, the Council itself has no permanent executive head. Its sessions are presided over by members "in rotation in the alphabetical order in French of the names of the countries which they represent." For each ordinary session there is thus a new president. Between regular sessions the president in office acts. If, for any reason, he is prevented from acting or there is a vacancy in the office, the Secretary-General consults the immediately preceding president, provided his country is still represented on the Council; otherwise, earlier presidents in the order of their terms. At times this rotation of the Council presidency has not worked well. A relatively obscure or ineffective representative of a small state may happen to be president when a statesman of great experience and prestige is needed to direct the Council's work. However, the presence on the Council year after year of a nucleus of seasoned foreign ministers has tended to minimize the adverse effects of the rotating chairmanship.

Being a much smaller body than the Assembly, the Council does its work with correspondingly greater informality. Its members sit around a table—formerly the "great green horseshoe" in the Crystal Room of the old Secretariat building, now a slightly curving table specially constructed for the Council's use in its sumptuous new quarters in the *Palais des Na-*

²² Potter, *Introduction to International Organization*, p. 401.

tions. In principle, Council meetings are open to the public, but all decisions affecting persons are taken in private session. Secret meetings, moreover, are sometimes held when particularly delicate situations face the Council. At least three weeks before each regular session (except the second meeting in September), a provisional agenda is prepared by the Secretary-General with the approval of the President of the Council. This agenda must include all items which any League member has requested the Council to consider. During a session other items may be added by majority vote; but they may not be discussed before the next day's meeting. Most of the Council's recurring business is handled by assigning items to individual members who act as permanent *rapporteurs* on a yearly basis. For more important questions special committees of inquiry are set up. This procedure is regularly employed in the case of international disputes submitted under Articles 11 or 15. The individual *rapporteur* (or committee) will propose a draft resolution which the full Council may adopt either without debate or after prolonged discussion, depending upon how controversial the subject matter is. Recorded votes are rarely taken. The typical procedure is for the President to ask the members whether they have any observations to make regarding the proposal. If he hears none, the proposal is declared adopted. Any member, however, may request a roll call or even demand a secret ballot, which is obligatory if the vote pertains to persons. The Secretary-General of the League always sits at the Council President's side during the sessions. He may be called upon to speak, but he has no vote. The minutes of the meetings are kept by the Secretariat and published in the *Official Journal* of the League.

THE ADMINISTRATIVE SERVICES

Neither the Council nor the Assembly operates on a year-round basis. The Council is a small periodic conference with quasi-permanent personnel, meeting perhaps six weeks out of the year. The Assembly is normally in session only once a year for a period of three or four weeks. During the remainder of the time the League functions through its permanent Secretariat. The Secretariat has not inappropriately been called the "essential balance wheel" of the whole League machinery. Not only were its origins British, but its ideals and principles have been taken largely from the British civil service, with some infiltration from French administrative practice. Historically, the idea of a general international secretariat may be traced (1) to the bureaus of the public international unions and (2) to the inter-Allied wartime economic administration. Article 6 of the Covenant provides that a permanent Secretariat "shall be established at the seat of

the League" and shall consist of "a Secretary-General and such secretaries and staff as may be required."

Except for the fact that he must secure Council approval for staff appointments and Assembly authorization for his budget, the Secretary-General has a free hand in organizing the Secretariat. Sir Eric Drummond, the shrewd, tactful Scotsman who served in this capacity during the first thirteen years of the League's life, insisted from the outset that the Secretariat should be set up, not as a loose congeries of national delegations, but as a closely knit international body. Instead, therefore, of acting as representatives of their own governments, the staff members of Secretariat, as noted earlier, have definite status as League officials. As such, they are required to preserve a political neutrality on national questions comparable to the nonpartisan neutrality expected of permanent civil servants in a national government system. Although a career diplomat himself, Sir Eric selected as his key collaborators men who "had shown their capability for international service in the course of the war," chiefly as members of the Inter-Allied Maritime Transport Executive. In turn, these men—Sir Arthur Salter, M. Monet, Signor Attolico, and others—took their subordinates from men known to be sincere believers in the League experiment and ready to devote themselves to its realization. As a result, the Secretariat had the good fortune, during the early years of its development, of being manned by an internationally minded, independent, and able personnel and was therefore able to win the confidence of the national politicians who came to Geneva as Assembly and Council delegates. After the entry of Germany into the League, this "Geneva idealism" waned considerably. Resentment over the numerical preponderance of French and English-speaking persons in the higher posts of the Secretariat led to the practice of "earmarking" appointments on a nationality basis and of selecting persons, chiefly diplomats, acceptable to member governments.

Despite this regrettable tendency, the administrative quality of the League's permanent staff has compared favorably with that of the best national civil services in the world. Before the drastic economy measures of 1938-39, compelling staff contraction, the Secretariat included more than 600 members of fifty different nationalities.²³ This staff is hierarchically organized as follows:

²³ For authoritative accounts of the internal set-up of the Secretariat, the following may be consulted: Sir Eric Drummond, "The Secretariat of the League of Nations," in *Public Administration* (London), April 1931; H. B. Butler, "Some Problems of an International Civil Service," *ibid.*, October 1932; E. J. Phelan, "The New International Civil Service," *Foreign Affairs*, January 1933; and H. B. Calderwood, *The Higher Direction of the League Secretariat* (Arnold Foundation Studies in Public Affairs), Vol. V, No. 3. It has been estimated that because of the necessity of using two different languages in League work, the size of the Secretariat is around 20 per cent larger than would otherwise be the case.

First Division: deputy and under secretaries-general; directors and chiefs of section; members of section (the real "backbone" of the staff); counsellors, interpreters, translators, and précis writers,—comprising about a quarter of the total personnel.

Intermediate Division: secretaries, chief clerks, statisticians, accountants, stenographers, and typists,—including a little over three-fifths of the entire staff.

Third Division: locally recruited messengers, porters, doormen and custodial laborers,—accounting for the remainder.

A Committee on Appointments and Promotions advises the Secretary-General on matters of personnel management, and internal staff regulations have been drawn up to cover compensation schedules, leaves of absence, disciplinary measures; dismissals, and so on. As regards tenure, a compromise between permanence for life and short terms has been worked out. For the higher posts, appointments are for periods of seven to ten years, renewals being permissible for periods of three to seven years. For the intermediate posts, there are seven-year terms which may be renewed up to the age of retirement.

Administratively, the Secretariat is organized into functional sections and internal services. To the former are assigned duties corresponding to the principal spheres of activity of the League—political and legal questions, minorities, mandates, disarmament, financial and economic relations, communications and transit, health, international bureaus and intellectual coöperation, opium traffic, and social questions. The other sections are responsible for the "housekeeping" operations of the Secretariat—personnel, accounts, care of buildings and equipment, the interpretation, translation, editing, and registration of documents, printing, and stenographic service. At the time the Covenant was adopted, the Secretariat was expected eventually to become a kind of over-all coördinating center for existing international administrative bureaus. With this in view, Article 24 provided (1) that such agencies should be placed under the direction of the League if the parties thereto give their consent and (2) that all bureaus and commissions constituted thereafter should automatically come under its supervision. For various reasons, but chiefly because League membership has never embraced all the major states of the world, most of the preëxisting agencies have chosen to retain their constitutional independence.²⁴

²⁴ Only five international bureaus are at present placed under League direction: (1) the International Commission for Air Navigation (see p. 167, *supra*); (2) the International Hydrographic Bureau; (3) the Central International Office for the Control of the Liquor Traffic in Africa; (4) the International Bureau for Information and Enquiries regarding Relief to Foreigners; and (5) the International Exhibitions Bureau. The International Bureau Section of the Secretariat does, however, keep in fairly close touch with other international organizations and has, since 1921, published a *Handbook* and a *Bulletin of Information* on their work.

On the other hand, the Secretariat serves as administrative clearing-house and fact-finding center for the numerous technical and advisory organizations created under resolutions of the Assembly and Council. The work of some of these affiliated services was briefly explained in our earlier discussion of the transnational world.²⁵ It will be recalled that in two instances permanent advisory commissions are specifically authorized by the Covenant, namely, those on armaments and mandates. For the most part, however, the League's auxiliary organizations have come into being as a result of action taken in line with the "general welfare" obligations of League members enunciated in Article 23. By this article, League members agree (1) to secure and maintain humane conditions of labor within their territories—an obligation delegated, as it were, to the International Labor Organization; (2) to secure just treatment of the native inhabitants of colonial possessions—an obligation assumed in part by the mandate system and in part through an Advisory Committee on Slavery set up in 1932 to facilitate the enforcement of various anti-slavery conventions; (3) to entrust the League with the regulation of the traffic in women and children and the traffic in opium and other dangerous drugs—obligations giving rise to the establishment of an Advisory Committee on Social Questions and three advisory and control agencies on the opium problem; (4) to give the League general supervision over the trade in arms and ammunition—a problem handled, in so far as it has been dealt with administratively at all, through the Permanent Advisory Commission for Military, Naval and Air Questions; (5) to secure and maintain freedom of communications and transit and equitable treatment for the commerce of all League members—provisions leading to the creation of the quasi-autonomous Communications and Transit Organization, as well as the Economic and Financial Organization; and (6) to take steps to prevent and control disease—an obligation translated into action through the far-flung Health Organization of the League. One additional technical organization established as early as 1920 to facilitate Intellectual Coöperation can not be traced to any particular provision of the Covenant. It is simply a by-product of the Assembly's power to deal with any matter affecting the peace of the world.

Reverting to the Secretariat itself, we may conveniently classify its work under several heads. It is first of all a research and recording body, engaged continuously in conducting factual inquiries about world problems, making reports, and assembling statistical data for periodical publication. The accumulated documentation of the League has not only attained formidable proportions, but has become indispensable to economic and social investigators around the globe. In accordance with Article 18 of the Covenant,

²⁵ See chap. VIII; also, for a detailed analysis, H.R.G. Greaves, *The League Committees and World Order* (London, 1931).

all League members must register with the Secretariat every treaty or other international engagement to which they are parties.²⁶ The editorial task of registering treaties is handled by the Legal Section of the Secretariat. After registration, treaty texts are published in the League Treaty Series. By the end of 1938, the number of registered treaties had reached the impressive total of nearly 4500, filling close to 200 fat volumes. Since 1925, the United States, although not a League member, has regularly reported to Geneva all treaties to which it is a party. Certain other states outside the League follow this same practice. As a result, the League treaty collection, conveniently indexed by chronology, country, and subject matter, provides the most nearly all-inclusive source of reference for contemporary international legislation to be found anywhere. In addition to the official texts, the Treaty Series contains an up-to-date record of all ratifications, accessions, and denunciations in respect of all treaties and conventions published therein.

The administrative headquarters of the League performs other important functions besides record keeping and research. Its officials serve in a secretarial capacity, not only for the Committees of the Assembly and Council, but also for the auxiliary technical organizations of the League. Since the professional experts in the Secretariat are on the job the year round, it falls to them to prepare draft proposals for consideration by the political organs of the League, and also to transmit reports and questionnaires to member governments. Due to their superior knowledge as specialists, these staff officials inevitably influence the negotiation of agreements both in committee and in the full-dress conferences held under the League auspices. This influence is often a decisive factor in the preparation of conference agenda, in the determination of procedure, and in the selection of individuals for committee posts. If the fact-finding activities of the Secretariat may properly be regarded as "prelegislative" in character, the rôle we are here describing is directly related to development of policy itself.

The policy-influencing function of the Secretariat operates through still other channels. The negotiation of international agreements at Geneva must be "followed up" if the requisite ratifications are to be secured. It is precisely in this follow-up work that a permanent body such as the Secretariat is in a position to make a unique contribution to the progress of international legislation. By maintaining constant liaison with national capitals through correspondence, telephone calls, and personal visits, League officials have been able to secure favorable action on many proposals which governments would otherwise neglect or oppose. This represents a signal

²⁶ This article also declares that no treaty shall be binding until so registered. In the absence of any sanction, however, there has been no effective way to enforce this latter provision.

advance over the discontinuous and sporadic international coöperation of pre-League days. In 1930 the Assembly passed a set of resolutions calling upon the Secretary-General to report each year the progress of ratifications of international agreements, together with explanatory statements from those governments that had not ratified. Partly as a consequence of this action, a far higher percentage of ratifications has, on the average, been obtained for multilateral treaties and conventions negotiated through the League than for earlier agreements.²⁷

Much of the value of the Secretariat in furthering international coöperation has come from its efforts in the field of organized publicity. At the outset, an Information Section was set up to handle relations with the press and to prepare material about the League for popular consumption. This Section has issued regular communiqués, articles, pamphlets, films, and lantern slides, and conducted broadcasts from the League's wireless station (Radio-Nations) near Geneva. Since 1932 short-wave broadcasts have been given in English, French, and Spanish as often as once or twice a week. In recent years nightly accounts of the Assembly's proceedings have also been broadcast. The Information Section also "provides extensive and varied facilities for the press, including reports—some distributed by air mail and radiotelegram—of League activities and meetings whether attended by the press or not. Various studies and discussions have been instituted, and one full-dress International Press Conference (1927), on the problem of the press and international relations. Contact is maintained with thousands of individuals and organizations in all countries. A similar end is served by field offices maintained in ten countries."²⁸ In 1921 an Association of Journalists accredited to the League was established in Geneva, with a membership of close to two hundred. Until the recent eclipse of the League's political authority, over a hundred foreign correspondents were regularly stationed in Geneva, the number swelling to three or four hundred during meetings of the Assembly, Council, and important League conferences.

The position of the Secretary-General of the League has no parallel in any national government. He is at once civil servant, cabinet minister, and diplomat. In addition to being responsible for keeping all the various

²⁷ "Of the forty-one agreements and conventions concluded under League auspices before 1930, only four had not become effective by September 1, 1934. . . . Of the seventy-two agreements and conventions included in the Secretary-General's report of September 1934, eight had been ratified by over forty states. Seven others had received over thirty ratifications, while sixteen of the remaining instruments had been definitely accepted by twenty or more states." When it is remembered that many of these agreements were of such special or regional character as to interest only a few states, these figures are impressive, particularly in the social and humanitarian field.—F. O. WILCOX, *The Ratification of International Conventions* (London, 1935), pp. 156-58.

²⁸ P. B. Potter, "League Publicity: Cause or Effect of League Failure?" *Public Opinion Quarterly*, July 1938.

organs of the League properly geared in with one another, and providing them with all relevant information on matters before the League, he must take the initiative in arranging for the investigation of disputes submitted to the League under Article 15. Thus, in 1932, the Committee of Inquiry on the Shanghai phase of the Sino-Japanese dispute was set in motion by Sir Eric Drummond.²⁹ Upon any member's request, the Secretary-General must summon a meeting of the Council when peace is threatened (Article 11). Both Sir Eric and his successor, M. Joseph Avenol, have frequently gone on tour in order to have personal contact with key governments during critical situations. In 1936 M. Avenol visited various European capitals in order to sound them out on League policy in reference to Hitler's reoccupation of the Rhineland; later also, when the League was seeking a face-saving formula for the lifting of sanctions against Italy. As the only full-time "chief executive" of the League, the Secretary-General not infrequently finds it necessary to interpret constitutional questions on his own initiative. Such was the case in 1928 when Sir Eric Drummond and his advisers assumed the responsibility of formulating a draft reply to Costa Rica, relative to the meaning of the Covenant provision on the Monroe Doctrine, and presented the note to the Council as a *fait accompli*, the latter body accepting the document virtually without change and at once dispatching it to Costa Rica. Several years later (1935), M. Avenol took it on himself to issue a statement interpreting Japan's obligations under the Covenant at the time of her withdrawal from the League. Depending upon his qualities of leadership and the wisdom of his judgment, the Secretary-General, at any rate before the League lost its prestige, could and did command the most strategic position in its entire arena of action.

Broadening out this generalization, much the same might be said of the Secretariat as a whole. A distinguished British journalist, long stationed in Geneva, has picturesquely described the environment of League headquarters in a paragraph worthy of quotation:

The real conflict in Geneva is not one of personalities but of principles, of national interests, or rival ambitions and contradictory policies. The little world of international officials, diplomats, journalists, interpreters and secretaries is a microcosm of the great world. It lives in a curious atmosphere of detachment, reflecting a little belatedly, feeling a little less acutely, the sensations and the passions of the world of which it is the slightly distorting mirror. The visitor from another country, even from the smallest in Europe, has the curious experience of finding himself in a state smaller still, a state with a population no larger than the membership of a London club, of a régime neither monarchical nor republican, despotic nor democratic, a state without an army or navy, without a police force, without uniforms, social traditions, commerce, industry, or amusements, without

²⁹ See pp. 579-581, *infra*.

judges, criminals or litigation, without sports, newspapers, theaters, literature or music, without scandals, corruption or vices, a state composed entirely of civil servants, but not without its hierarchy, social orders, and degrees governed by priests, by soldiers, by lawyers, by men of birth and men of wealth. The super-state of the future may possibly be governed by scientists. The timid compromise between nationalism and internationalism which is the League of Nations is governed by bureaucrats and secretaries. And in a state of secretaries the Secretary-General is king.³⁰

Speaking in less journalistic terms of the League and I.L.O. secretariats a few years ago, Mr. E. J. Phelan, the Deputy Director-General of the International Labor Office, declared that "of all the new organs of international life, the international civil service has come nearest to fulfilling the hopes of those who planned a new order."³¹ This would seem to be a fair characterization of the world's first international administrative corps. If the present League should completely collapse or disappear, the procedures and traditions of its Secretariat and technical services would undoubtedly supply the architects of any new and stronger international structure with more to build upon than anything else in the entire League experience.

THE PERMANENT COURT OF INTERNATIONAL JUSTICE

By Article 14 of the Covenant, the Council of the League was instructed to "formulate and submit to the Members of the League for adoption plans for the establishment of a Permanent Court of International Justice." Because of the greater urgency of other problems, the Peace Conference could reach no agreement on the details of the "judicial branch" of the new international order; hence the decision to delegate the difficult task of construction to the Council. On two important points, however, the Covenant makes specific reference to the projected tribunal: (1) it was to be competent to hear and determine any international dispute submitted to it by the parties thereto—implying that the Court's jurisdiction would be *voluntary* in character; and (2) the Court might give an advisory opinion upon any dispute or question referred to it by the Council or the Assembly. On this second point the Covenant left two subsidiary questions in doubt, namely, whether requests for advisory opinions must be by unanimous vote of the Council, and whether the Court might, in its discretion,

³⁰ George Slocombe, *A Mirror to Geneva: Its Growth, Grandeur, and Decay* (New York, 1938), p. 58. Reprinted by permission of Henry Holt and Company, publishers.

³¹ "International Administration," chap. VIII of *Problems of Peace: Tenth Series* (London, 1936), p. 137.

reject such requests. The first of these questions has never been definitively settled, although the Council has (to date) always acted unanimously in asking the Court for advisory opinions. As for the second, the Court early proclaimed the right to refuse to give an advisory opinion.³²

One of the first acts of the Council was to invite a group of ten distinguished jurists to draft an organic statute for the new Court. Among these "constitutional fathers" were Elihu Root, formerly Secretary of State of the United States; Lord Phillimore of Great Britain, who had assisted in preparing the leading British draft of the Covenant; and M. de Lapradelle, a world-known authority on international law at the University of Paris.³³ This Commission met at The Hague from 16 June to 24 July 1920. Taking as point of departure the plan for a Permanent Court of Arbitral Justice drawn up at the Second Hague Conference of 1907, the Commission was able to devise a system of election for the judges which ingeniously compromised the claims of great and small states. As already indicated, this scheme provided that a majority vote of both the Council and the Assembly should constitute the basis of election. In August the Commission's draft plan was submitted to the Council and then to the Assembly. After several months of debate, a number of amendments were decided upon, the most important being the deletion of a provision which would have conferred upon the Court *compulsory* jurisdiction in *legal* disputes,—a provision opposed by both Great Britain and France. By December the Assembly formally adopted the amended Statute and opened a Protocol of Signature. In deciding that states not then members of the League might accept the Protocol, the Council and Assembly emphasized the desire that it be considered as an independent instrument. By the following September twenty-eight states had ratified the Protocol and the Statute came into force. Subsequently, twenty-nine other states signed and twenty-one of them ratified the Protocol, bringing the total number of members up to forty-nine (as of the beginning of 1939). Today, the membership of the Court includes several important powers that no longer belong to the League—Brazil, Japan, Germany, and Italy, although the exact status of their membership is shrouded in uncertainty.³⁴

The independent position of the Court with respect to the League

³² In the Eastern Carrelia case (1923), involving Finland and Soviet Russia, the Court held that since Russia was not then a member of the League, the Court must refuse to entertain the request without Russia's consent.

³³ The other seven men had had equally outstanding legal careers in their respective countries: Italy, Japan, Spain, Belgium, Norway, the Netherlands, and Brazil. The Dutch member later became the first, and the Japanese the fourth, President of the Court.

³⁴ The Court's Statute makes no provision either for withdrawal of membership or for amendment. Since 1938 none of the above-named States has contributed to the budget of the Court or had any business with it.

was further underlined by the decision to establish its headquarters, not in Geneva, but at The Hague—in the Peace Palace built before the War with funds contributed by the late Andrew Carnegie. It was also felt that, by locating the new tribunal at the place where so many previous developments in international adjudication had taken place, a certain prestige might redound to the Court at the outset.

The quasi-autonomous status of the Court, however, is most strikingly indicated by the independence of its bench. To be sure, the judges are elected by joint vote of the Assembly and Council; but the latter must make their selection from a panel of names nominated by the *national* groups in the old Hague Court of Arbitration.³⁵ States not represented in that body have the right to set up their own nominating groups. Further, the Statute of the Court (Article 2) stipulates that the judges so nominated and elected must be "persons of high moral character, who possess the qualifications required in their respective countries for appointment to the highest judicial offices, or are jurisconsults of recognized competence in international law." No national group may nominate more than four persons, only two of whom may be of its own nationality. In every election the Council and Assembly must also keep in mind the fact that the total bench of fifteen judges should "represent the main forms of civilization and the principal legal systems of the world" (Article 9). There may be no more than one judge of a given nationality on the Court at the same time. Otherwise, the factor of nationality is disregarded except in cases where one or both parties involved have no national on the Court's bench.³⁶ In this event, such party or parties may, if they wish, designate a judge or judges *ad hoc* from among their properly qualified citizens.

The term of the judges is nine years, all fifteen being elected simultaneously. In case of vacancies, special elections are held to fill out unexpired terms. This has frequently been necessary because of the death or resignation of incumbents.³⁷ Due to the tendency of many of the earlier judges to carry on other work during their terms, the revised Statute provides that "members of the Court may not exercise any political or administrative function, nor engage in any other occupation of a professional nature" (Article 16).

Once elected, the judges enjoy security of tenure. They may not be

³⁵ When the Council and Assembly sit as electoral bodies, League members not adhering to the Court may participate in the voting; conversely, since 1936, Court members not belonging to the League have been allowed to be represented.

³⁶ Although the United States is not a member of the Court, four Americans have sat on its bench: John Bassett Moore (1922-28); Charles Evans Hughes (1928-30); Frank B. Kellogg (1930-35); and Manley O. Hudson (1936—).

³⁷ Until 1936, when certain amendments to the Statute went into effect, the bench consisted of eleven titular and four deputy judges; but the position of deputy judge was then abolished and the number of regular judges increased to fifteen.

removed except by unanimous vote of their colleagues. To date there has not been the slightest suggestion of invoking this provision. The Court elects its own President and Vice-President for three-year terms. Although the League Assembly determines the salaries of the judges, the amount may not be reduced during their term of office. The judgments and opinions rendered by the Court constitute independent law, irrespective of decisions taken by the political organs of the League. While the Court's expenses form an integral part of the general budget of the League, the annual appropriation has varied only slightly from year to year. Nor has the Assembly shown any inclination whatsoever to hamper the Court by depriving it of needed funds.³⁸ One is justified, therefore, in characterizing the tribunal, not as an agency that must take orders from the League, but as a truly independent *World Court*—even though it does form a definite part of the *total League system*.

The administrative work of the Court is performed by a professional staff. This staff is headed by a Registrar appointed by the judges. In turn, the Registrar recruits on a merit basis such subordinate officials and employees—secretaries, editors, translators, interpreters, archivists, accountants, clerks, and stenographers—as are necessary to the proper functioning of the Court. For most of the posts in the Registry, permanence of tenure prevails.

Let us now look briefly at the actual operation of the Court. The first point to be noted is that only *governments* may submit cases. Certain members of the drafting Commission favored allowing private individuals to use the Court, but this was ruled out. Nevertheless, it is possible for a government to represent an individual or a private corporation and in several instances this has happened.³⁹ Even though a state is not a member of the Court, it may become a party to a case before the Court, provided, of course, the opposing party agrees. In general, the jurisdiction of the Court covers two classes of cases: (1) those disputes voluntarily referred to it by the parties concerned, and (2) matters specifically provided for in various international treaties and conventions.⁴⁰ There is, however, still a third way in which cases may reach the Court. Article 36 of the Statute provides that members of the Court may declare "that they recognize as

³⁸ In recent years the annual expenditures of the Court have amounted to about \$625,000. The salary of the judges is approximately \$24,000 a year, about \$4000 more than that of the justices of the United States Supreme Court. In addition, the President of the Court receives a special annual allowance.

³⁹ Notably in the *Mavrommatis Palestine Concessions* case (1924) in which the Greek government asked for a judgment against Great Britain in favor of a Greek subject whose public utility holdings in the Palestine Mandate had not been recognized.

⁴⁰ The significance of this phase of the Court's jurisdiction is discussed later (see pp. 764-765).

compulsory *ipso facto* and without special agreement, in relation to any other Member or State accepting the same obligation, the jurisdiction of the Court in all or any of the classes of legal disputes" enumerated in Article 13 of the League Covenant.⁴¹ This is the so-called "optional clause" of the Statute—a clause which few states (and no Great Power) saw fit to accept until 1928, when Germany ratified it.⁴² If, in any given instance, the Court's jurisdiction is disputed, the Court may settle the question by its own decision.

In deciding cases the Court is authorized to apply (1) international conventions "establishing rules expressly recognized by the contesting states," (2) international custom, (3) the general principles of law recognized by civilized nations, and (4) judicial decisions and the teachings of qualified publicists, "as subsidiary means for the determination of rules of law" (Article 38). Over and beyond these provisions, which in themselves allow for broad judicial inquiry, the Court may, the parties consenting, decide cases *ex aequo et bono*, that is to say, by "equity" or "arbitral" proceedings. The meaning of the foregoing provisions, moreover, may be construed by the Court itself. Although precedents are not binding in subsequent cases, the Court has tended to give weight to precedent and therefore to develop a quasi-case law.

The Court formulates its own rules of procedure.⁴³ These rules set the time and duration of the Court's sessions; prescribe the duties and organization of the Presidency and Registry; lay down details as to procedure in handling cases and requests for advisory opinions; and specify the form and content of judgments. Until 1936, the Court held one regular session each year, together with such extraordinary sessions as were necessary to dispose of its docket. Since that time, it has been "nominally in permanent session, except for stated judicial vacations; in practice, this means that it meets as its business requires."⁴⁴ During 1936, the Court was in session 143 days; during 1937, 107 days; and during 1938, 69 days.

Parties before the Court may be represented by agents and be assisted

⁴¹ See p. 484, *supra* for the enumeration.

⁴² See pp. 569-573, *infra*.

⁴³ The first set of rules, promulgated in 1922 and subsequently twice amended, was superseded by a new set in 1936. See Series D of the Court's publications for all acts and documents concerning the organization of the Court. Series A, B, C, E, and F contain the judgments, advisory opinions, supporting evidence, annual reports, and general indexes, respectively.

⁴⁴ M. O. Hudson, *The World Court 1921-1938* (Boston, World Peace Foundation, 1938), p. 7. This compact volume, written by one of the world's leading authorities on the Court, presents a complete summary of its work. See also Professor Hudson's larger treatise, *The Permanent Court of International Justice* (New York, 1934), as well as the annual articles contributed by him to the *American Journal of International Law*; and H. Lauterpacht, *The Development of International Law by the Permanent Court of International Justice* (London, 1934).

by counsel. The proceedings consist of two parts, *written* and *oral*. In order to get a case before the Court, the party (or parties) concerned give written notice thereof to the Registrar. This official then arranges for the necessary exchange of papers and documents among judges and parties—claims, counterclaims, replies, and so on. Before the case reaches the oral hearing stage, expert testimony may be obtained by deposition, or factual inquiries may be conducted wherever necessary. Finally come the oral proceedings during which the Court hears witnesses, experts, agents, and counsel. Unless decided otherwise by the Court, this hearing is public. Not infrequently the time required to complete the preparation and trial of a case has extended over months, in certain instances, even years.⁴⁵ After all the evidence is heard and the arguments of counsel are completed, the judges withdraw to deliberate in private on their verdict. Decision may be reached by majority vote, the presiding judge having the power to break a tie. Every judgment is given in open court and must state the reasons on which it is based. If there are dissenting opinions, they may also be attached to the judgment. To date, over half of the judgments and about two-fifths of the advisory opinions delivered by the Court have contained dissents.⁴⁶ Unless the Court decrees otherwise, the costs of litigation are divided between the opposing parties, each bearing its own share.

Every judgment is final and without appeal. However, an application for revision can be made if any new fact is discovered, provided it was unknown to the Court and the party seeking revision when the judgment was given; but no such request may be entered later than six months after such discovery. Any question as to the meaning or scope of a judgment will be construed by the Court upon the request of any party. Despite the fact that the judgments of the Court have thus far been supported only by voluntary or moral sanctions, not one has been disregarded.⁴⁷ Yet every Great Power either now or formerly in the League (except Japan and the Soviet Union) has lost at least one case, the Court ruling against France in several instances. Speaking before the 1929 Assembly of the League in reference to a case that France had just lost to Switzerland, Aristide Briand gave eloquent expression to a point of view which civilized nations, sometime in the misty future, may perhaps incorporate into their code of behavior:

⁴⁵ In the dispute between Denmark and Norway over the legal status of eastern Greenland, the oral proceedings occupied forty-eight meetings of the Court from November 1932 to February 1933, while final judgment was not rendered until almost two years after Denmark first instituted action. Incidentally, this case, involving an important question of territorial jurisdiction, was the first to be handled under the "optional clause."

⁴⁶ This is not surprising in view of the confused and uncertain state of international law. Note the frequency of divided opinions even in the United States Supreme Court.

⁴⁷ Down to the beginning of 1939, the Court had rendered twenty-seven judgments, in addition to the same number of advisory opinions.

I feel that countries that bring up cases for judgment—to the Court—and lose them should not consider that they had lost anything of their dignity. That, therefore, is the line along which we must go. We must not fear placing ourselves under the authority of judges. After all, they are men who are put in that position in order that it may not be necessary for us to fight. Let us, please, have no plea of prestige. There is nothing to be ashamed of in going before judges who are there to pass judgment and to say which side is justified. If the judgment is not favorable, as soon as the inevitable first moment of irritation and discontent has passed, we feel no shame in bowing to the sentence and in carrying it out. I felt nothing of the kind when I heard that we had lost the case to which I have just referred.

What a far cry this would be from the present stage of international civilization—when powerful states may with impunity invoke so-called “vital interests,” “national honor,” or the cry of *Lebensraum* as excuses for “taking the law in their own hands”—with bombs and torpedoes!

Although no one can claim that the World Court has yet become a major instrumentality for the maintenance of peace, since none of the cases it has decided was really a *casus belli*, the new tribunal has developed a smooth, efficient procedure and contributed substantially to the advancement of international adjudication. The Court is in reality “a world agency for the administration of justice.” Permanence and professionalism represent important gains in the struggle to build an international judicial system. The Court, observes a leading international jurist, “has served the cause of international law by applying, illustrating, and developing rules and principles of international custom and treaties. There is hardly an important branch of international law of peace which has not been enriched by a pronouncement of the Permanent Court. The very Statute of the Court signified an important advance by the manner in which it formulated the sources of international law. By authorizing the Court to apply general principles of law as recognized by civilized States, it enlarged the basis of judicial decision and put an end to the predominance of a barren doctrine of positivism which, by relying on the consent of States as the only source of law, lent its support to an extreme conception of State sovereignty.”⁴⁸

Many students of international relations contend that the jurisdiction of the Court should be extended to *private* controversies, since they are a hundred times more frequent than intergovernmental disputes. Others have proposed the creation of “regional” courts with original jurisdiction over intraregional cases, the World Court to act primarily in an appellate capac-

⁴⁸ H. Lauterpacht, “International Law After the Covenant,” in *Anarchy or World Order* (Problems of Peace: Tenth Series, Geneva, 1936), p. 38. Reprinted by permission of the Oxford University Press, publishers.

ity. Until international life returns to a condition of relative stability, however, there is little likelihood that the jurisdiction or powers of the Court will be expanded in any direction—if, indeed, it endures at all.

THE INTERNATIONAL LABOR ORGANIZATION

The Peace Conference of Paris was not alone notable for its attempt to create a world-wide political organization for the maintenance of peace. From its deliberations there also emerged the Constitution for a new international organization in the domain of *social justice*. During the War, organized labor had acquired an important place in the affairs of government in all the Allied and Associated nations. When peace came, labor's leadership emphatically advanced the view that in the new international organization of peace about to be set up the new position of labor should be directly recognized. To the Conference at Paris went such important figures in the labor world as Mr. Samuel Gompers, head of the A. F. of L.; Mr. George N. Barnes, British Minister of Labor; and M. Emile Vandervelde, veteran Belgian Socialist leader; and others. Persistent pressure from these men and the millions of workers they represented at home resulted in placing the subject of international labor legislation high on the agenda of the Conference.

As late as the opening of the Conference, however, only the British had prepared any concrete proposals on the subject. In London a little group of British officials had drawn up a plan "which may be regarded as the first blue print of the present International Labor Organization."⁴⁹ From his long experience in nonpolitical labor activity at home, Mr. Gompers was at first skeptical of the wisdom of trying to construct an "international parliament of labor," but upon further reflection his doubts disappeared. "He saw that the standards of the working class in the United States, which were his chief concern and anxiety, would not suffer from the competition of labor in less fortunate countries."⁵⁰ With Mr. Gompers as chairman, a Commission on International Labor Legislation was created in the Peace Conference. This body recast the British proposals so as to fit the peculiar conditions of the American *Federal* Constitution. The point at issue here was whether a Federal state could become "a part of an international organization proposing to make legislation by way of treaties when most.

⁴⁹ J. T. Shotwell, "The Origins of the I.L.O.," in Spencer Miller, Jr. (ed.), *What the International Labor Organization Means to America* (New York, 1936), p. 3. Professor Shotwell, who, as technical adviser to the American delegation, had much to do with the development of the I.L.O. Constitution, has brought together all the documents in his invaluable *Origins of the International Labor Organization* (2 vols., New York, 1934).

⁵⁰ Shotwell, *op. cit.*, p. 6.

of the problems affecting labor belonged to the States and not to the Federal government.”⁵¹ The difficulty was finally overcome by an agreement which permitted Federal states to treat draft conventions merely as “recommendations” for legislation. With this problem settled, the Commission drew up an international “Charter of Labor” which eventually became Part XIII of the Peace Treaties (Part XII of the Treaty of Neuilly-sur-Seine). The central theme of this charter is that “peace can be established only if it is based upon social justice.” In order to promote social justice and improve the conditions of labor, it was proposed to set up an International Labor Organization with machinery and powers of its own, although nominally connected and coöperating with the League of Nations.⁵²

In certain important respects this new institution, which began functioning late in 1919, presents unique features. Membership in the League carries membership in the I.L.O. *ipso facto*, but not vice versa. Brazil and Japan, for example, remained members after their withdrawal from the League, while the United States, though never in the League, was admitted as a full-fledged member in 1934. Germany joined the I.L.O. before it entered the League and has since left both institutions. In 1938, twenty-eight of the sixty-one states in the I.L.O. were not signatories of any of the Peace Treaties. It is the I.L.O.’s internal representative structure, however, that offers the greatest novelty. As its deliberative organ there is a General Conference, which meets annually. This Conference consists of national delegations of four persons each. Two of these delegates represent their home government, the third represents the organized employers, and the fourth organized labor. The latter two are chosen by each member government “in agreement with the industrial organizations, if such organizations exist, which are most representative of employers or work people, as the case may be, in their respective countries.”⁵³ Here, for the first time in the history of organized international coöperation, we find a partial recognition of the *functional* basis of human society. For not only are capital and labor directly represented in the body which drafts labor conventions, but these representatives may cast their votes as *individuals*—regardless of how the government delegates vote. Not only this, but the employer representatives from all countries caucus together, elect a chairman, and become, as it were, a “political party” in the Conference; similarly, with the em-

⁵¹ *Ibid.*, p. 4. In 1919 no one foresaw what a vast expansion of Federal labor legislation was to take place in America by reason of the liberal interpretation of the Constitution by the Supreme Court, especially during the Roosevelt Administration.

⁵² In view of the broad range of activity which the I.L.O. subsequently undertook, it might more appropriately have been called an “International Department of Industrial Relations.”

⁵³ Article 3, paragraph 3, of the I.L.O. Constitution, the full text of which is reproduced in the Appendix (see pp. 789-799, *infra*).

ployee representatives. This means that there are three distinct interest "blocs," two of them cutting functionally across national lines.⁵⁴

The economic interest basis of representation appears again in the composition of the Governing Body, which is the I.L.O.'s supervisory organ. This consists of thirty-two members—sixteen representing the governments, eight the employers, and eight the workers. Of the sixteen government members, half are appointed by the states of "chief industrial importance" and the other half by the other government delegates to the International Labor Conference.⁵⁵ The employer and employee members are elected, respectively, by the employer and employee delegates to the Conference. Six of the government members and two each of the employer and employee representatives on the Governing Body must come from non-European countries. The term of the Governing Body is three years. It elects its own chairman and fixes its own time of meeting—usually four times a year. Its place in the International Labor Organization may be said to be roughly analogous to that of the Council in the League.

The third part of the I.L.O.'s machinery is its permanent secretariat, known officially as the International Labor Office. With commodious quarters in the I.L.O.'s own building, situated a short distance from the new *Palais des Nations*, the Labor office is staffed much like the League secretariat—with a professional personnel of some four hundred persons representing nearly forty nationalities. The Office performs administrative, research, recording, informational, and legislative-drafting functions. At its head are a director and a deputy-director, appointed by the Governing Body and responsible to it for the conduct of the Office. During the first twelve years of the I.L.O., the directorship was held by M. Albert Thomas, a French Socialist leader whose amazing vitality and enthusiastic vision left a permanent imprint on the I.L.O.'s administrative and ideological development.⁵⁶ After his death in 1932, M. Thomas was succeeded by the Deputy Director, Mr. Harold Butler (English), and seven years later, following the latter's resignation, an American, Mr. John G. Winant, formerly Chairman of the Social Security Board at Washington, became Director.

In addition to its headquarters staff in Geneva, the I.L.O. has established branch offices in Great Britain, France, United States, China, Japan, and India, with national correspondents in eighteen other countries. The central office also maintains close relations with employer, labor, and co-

⁵⁴ There have, however, been many instances of incomplete delegations due to the failure of governments in minor states to nominate employer or employee representatives.

⁵⁵ In case no agreement can be reached as to which states are of chief industrial importance, the question is decided by the League Council. To date this has not been necessary.

⁵⁶ One of his closest collaborators, Mr. E. J. Phelan, has given us a vivid biographical portrait of the man and his work in *Yes and Albert Thomas* (London, 1936). It is unfortunate that as yet almost no good biographical studies of international administrators have been done.

operative organizations throughout the world, while its Official Relations Division keeps in constant contact with national officials in the labor and social welfare fields.

Two further comments are in order regarding the constitutional status of I.L.O. Like the World Court, the I.L.O. submits its annual expenditure estimates to the Secretary-General of the League and the latter incorporates them into the League's general budget. When this is under consideration, the Director of I.L.O. appears before the Fourth Committee of the Assembly to explain and defend his estimates. Seldom are they changed unless, for example, it is decided to reduce all expenditures by some fixed percentage for purposes of economy. The expenses of the I.L.O. ordinarily absorb from 25 to 30 per cent of the total League budget.⁵⁷ Members of the Organization not belonging to the League pay their contributions directly, in accordance with a predetermined quota.⁵⁸ In reality, the budgetary relationship of I.L.O. with the League amounts to little more than a convenient arrangement for accounting and audit.

The independent status of the I.L.O. is further emphasized by the way in which its Constitution may be amended. Proposals for amendment must be voted by a two-thirds majority of the annual Labor Conference and be ratified by three-fourths of the members (including all of the states represented on the Council of the League). In terms of the present membership of the I.L.O., it would be possible to change its basic charter with the approval of only slightly more than half of those states that were parties to the Peace Treaties of 1919. In other words, while the seat of the I.L.O. is in close physical proximity to that of the League; while the budget of one is part of the budget of the other; and while the work of the two institutions overlaps at certain points, they are substantially separate organizations. Indeed, the I.L.O. is sufficiently autonomous that if the political League were to disappear completely, the former could easily continue to function. Much of the technical work of the defunct League might even be absorbed by the I.L.O. staff, which has been accustomed for years to coöperate informally with the welfare and economic sections of the League.

Considered broadly, the objectives of the I.L.O. are twofold. On the one hand, it is a research and informational agency. With the aid of its permanent staff and a battery of advisory committees, it engages continuously in the investigation of labor conditions and labor law, social insurance, industrial hygiene, woman and child labor, agricultural and maritime labor, population problems, migration, housing, etc. The results of these inquiries are published periodically in a series of reports which have

⁵⁷ See p. 492, *supra*.

⁵⁸ The annual contribution of the United States is slightly less than \$400,000.

become indispensable to students and administrators the world over. Other I.L.O. publications include the monthly *International Labor Review*, a *Statistical Year-Book of Labor Statistics*, and a compilation of labor legislation in all countries. Even if the Organization accomplished nothing else, the value of this technical research would probably justify the experiment. For the marshaling and analysis of facts has in itself tended to improve the quality of labor legislation and administration in many countries—especially the less advanced ones.

But the research activity of the I.L.O. is subsidiary to its primary objective. This is the raising of labor standards by international agreement. To guide in the achievement of this purpose, the Constitution of the I.L.O. sets forth nine general principles which may conveniently be summarized as follows: labor is not a commodity of commerce; it deserves a wage adequate to a reasonable standard of living; shorter hours of work per week and the provision of a weekly rest are goals to be sought in all countries; men and women should receive equal remuneration for equal work; child labor should be abolished; and the right of collective bargaining should be established for workers everywhere. Only a moment's reflection on these principles is necessary in order to understand that the I.L.O. is "a product of humanitarian capitalism" and that its working concepts are trade-unionist in the nonrevolutionary sense.⁵⁰ This being so, it is natural that the fortunes of the Organization should reflect the postwar vicissitudes of *free* trade-unionism and *free* welfare capitalism. In proportion as the latter have retreated before the terrific onslaught of fascist and communist *force majeure*, the scope and effectiveness of the I.L.O.'s activity have suffered. In addition, economic depression and rearmament have combined during recent years to retard social legislation, partly for budgetary reasons, partly because of intensified competition for foreign markets. Consequently, in many of the I.L.O. conventions, there has been a tendency to set standards only slightly higher than the average in the modest hope of raising the level a little in the more backward regions and industries. These introductory observations may help to explain the somewhat disappointing net results that have flowed from the legislative or policy side of the I.L.O.'s work.

Nonetheless, while the total record of ratification is more impressive

⁵⁰ For a fuller interpretation, see F. G. Wilson, *Labor in the League System* (Palo Alto, Calif., 1934). Among the other general surveys of the I.L.O., the following are recommended for reference: E. B. Behrens, *The International Labor Office* (London, 1924); P. Périgord, *The International Labor Organization* (New York and London, 1926); and G. Scelle, *L'Organisation internationale du Travail et le B.I.T.* (Paris, 1930). See also W. L. Taylor, *Federal States and Labor Treaties* (New York, 1935). The *Year-Book* of the I.L.O. presents an up-to-date summary of its work. The deliberations of the Annual Conference are published in the official *Record of Proceedings* (Geneva).

than might appear at first glance, the contribution of the I.L.O. to the technique of international legislation has been of capital importance. It is not too much to say that I.L.O. has developed a procedure in formulating labor standards unequalled for its excellence in any national legislative system. Prior to the formal consideration of any draft convention by the annual "legislative" Conference, many months, if not years, of careful preparatory work is carried on. Frequently the Office staff, as a by-product of its research activity or of its contacts with labor and employer groups, will suggest to the Governing Body the desirability of placing a given subject on the agenda of the Conference. The investigational work of the Office throws a "search light" on dark areas where there is need for international action.⁶⁰ This means that the permanent staff is itself responsible for much of the policy-initiation of the I.L.O. Sometimes the original suggestion of a problem to be studied will come from the resolution of a trade-union congress or a chamber of commerce. But it is usually the Geneva Office that determines the personnel of the advisory committee of "experts" which supervises the factual investigation of a given problem. When, moreover, the Governing Body performs its constitutional function of selecting items for the Conference agenda, the recommendations of the Director are given special weight.⁶¹

Control over the agenda does not, however, rest entirely with the Governing Body. The Conference itself has developed a "double discussion" procedure by which every proposed convention must be considered in at least two conferences before it may come up for formal adoption. During the initial consideration the proposal may be rejected, amended, or referred back for further study. Any member government may formally object to the inclusion of a particular item, in which event a two-thirds vote of the Conference is necessary to prevent its being stricken out. Before the Conference holds its first discussion, the Geneva Office prepares a questionnaire, submits it to member governments, and makes a report to the Conference in the light of the replies. This so-called "Grey Report" serves as a basis for the initial discussion in the Conference, showing how far various governments are prepared to go in respect to an international agreement. In short, the report reveals the "average view" of the problem. Another device that has evolved since 1930 is the "preparatory technical conference," bring-

⁶⁰ One example: although the subject of annual holidays with pay did not reach the Conference agenda until 1936, the Office had for a decade been publishing comparative studies pointing to the urgency of this problem. For a particularly illuminating analysis of the rôle of the I.L.O. "bureaucracy" in the enactment and enforcement of international labor standards, the authors are indebted to one of their graduate students at Wisconsin, Miss Ellen Sorge.

⁶¹ M. Thomas used to take an active part in the sessions of the Governing Body, succeeding frequently in overriding opposition from employers and "unprogressive" governments to the inclusion of particular items. See Phelan, *op. cit.*, p. 249.

ing together representatives of those countries or industries directly affected by a particular problem (e.g., labor standards in the coal industry). Regional conferences have also been held (notably for the American area in 1936 and again in 1939).

As a result of this extensive prelegislative "incubation," the International Labor Conference is exceptionally well supplied with knowledge on which to decide whether a given proposal shall be formally considered at the following meeting a year later. If such decision is supported by two-thirds of those present, the item is placed on the agenda of the second Conference. During the intervening year, the legal staff of the Labor Office draws up a draft convention. Upon introduction at the next Conference, this is referred to a committee for detailed scrutiny. A representative of the Office sits on every such committee and helps to guide its work.⁶² After sifting conflicting views, the Committee endeavors to reach an agreement. If it succeeds, it reports the draft convention back to the plenary Conference for adoption with or without change. If it fails, it may recommend either that the convention be rejected outright or that action be deferred pending further study and negotiation.

We come now to the final stage in the process: consideration of the Committee's report by the full Conference. During the earlier years of the I.L.O., the defeat of proposed conventions at this stage not infrequently occurred; but since the elaboration of the comprehensive preparatory procedure outlined above, this seldom happens. Departing from the traditional rule of unanimity for official international conferences, the I.L.O. Constitution requires merely a two-thirds majority of all delegates present for the formal adoption of a convention (or recommendation). In many cases a substantial minority has voted in the negative. Of the three functional groups, the workers have shown the greatest solidarity. A majority of the government delegates has tended to vote with the worker more often than with the employer group—partly because of the diversified economic interests of various national states; partly because of influence exerted by the Office over the government representatives of backward states; partly, no doubt, because most of the labor officials sent to the Conference by their governments are generally favorable to the aims of the I.L.O.⁶³ If adopted, the convention is put into final legal form by a drafting committee made up exclusively of members of the Office.

⁶² *Standing Orders of the Conference*, Art. VI. The personnel of each Conference committee consists of equal numbers of government, employer, and worker delegates chosen by their respective groups.

⁶³ See Amy Hewes, "Functional Representation in the International Labor Organization," *American Political Science Review*, May 1928, and "The Conference at Work," *Annals of the American Academy of Social and Political Science*, March 1933.

In addition to making notable inroads upon previous international practices in respect to representation and voting, the I.L.O. Constitution further short-circuits the international legislative process by eliminating the "signature" stage. Even though the representatives of a member state may have voted against a given proposal, or a state may not have had a delegation present at the Conference when it was adopted, that state is nevertheless bound to submit the convention (or recommendation) to the proper constitutional authorities for the enactment of legislation or other action. This step, moreover, must be taken within a year, or in exceptional circumstances within eighteen months, of the closing of the Conference. As soon as the Convention is ratified, notice thereof must be communicated to the Secretary-General of the League. Member governments are also required to report to Geneva each year whatever legislative or administrative action they have taken to give effect to ratified conventions. A summary of these reports is laid before the annual Conference by the Director.

The prerogatives of sovereignty leave every state free to ratify or not, but if a state fails to do so, its representatives may have to answer the criticism of worker delegates on the floor of later Conferences. In certain instances the Labor Office has, moreover, undertaken the investigation of reasons for nonratification and asked the governments concerned to explain their difficulties. Every ten years a summary report on the operation of Conventions previously ratified is prepared by the Office and submitted to the Organization. Although no state may be forced to ratify any convention, the Constitution of the I.L.O. set up enforcement machinery which, if it had been fully developed, would have encroached upon the "sovereign rights" of the member states to a greater extent than the League Covenant.⁶⁴ Industrial associations have the right to make "representations" alleging nonenforcement to the Governing Body, which must publish the offending government's reply. What is more, the Governing Body, or any member government, or any Conference delegate, may institute a "complaint" against nonenforcement by a state. After communicating with the accused government, the Governing Body may apply to the Secretary-General of the League for the appointment of a "Commission of Inquiry." This Commission, composed of two persons representing workers and employers and a third member of independent standing, prepares a report with recommendations. If the accused government refuses to accept the recommendation, the complaint may be referred to the Permanent Court of International Justice, which may affirm, modify, or reverse any of the findings or recommenda-

⁶⁴ M. Albert Thomas envisaged the development of I.L.O. "embassies" and "legations" as a means of expediting the ratification and enforcement of international labor agreements, but the branch offices of the I.L.O. have had to resign themselves to a much more passive rôle. See Phelan, *op. cit.*, pp. 40-42.

tions and indicate what measures of an economic character other governments would be justified in adopting against the defaulting state (Articles 25-34 of the I.L.O. Constitution).

Given the instability of international economic relations since the War, it is not surprising that this complaint procedure should never have been put to the test. A complaint from one state would invite retaliation. The accused state, moreover, could always denounce the convention in question and might even withdraw from the I.L.O. altogether. Where "representations" have been made by labor groups, the Office has followed the practice of unofficially communicating the representation to the government concerned before submitting it to the Governing Body—a procedure which permits the offending government to have an official explanation ready in advance.

Lacking any coercive authority over member states, the I.L.O. has fallen back on the method of publicity and criticism as a means of inducing them to enforce the standards incorporated in the international labor conventions. A "Committee of Experts" set up by the Conference in 1927 prescribes the form in which the annual reports must be made, summarizes these reports, and makes observations on the most flagrant cases of non-enforcement. A second "Committee on the Application of Conventions" goes even further and sometimes invites representatives of defaulting governments to give an accounting to the Committee. A promise, at least, of better enforcement often results. But when all is said and done, the authorities of the I.L.O. "must take the government's word for it." The I.L.O. cannot institute an economic blockade or send an air fleet against any of its members. The barriers of state "sovereignty" hold so long as the will to resist is present.

Nevertheless, the International Labor Organization represents in many ways the most promising experiment in world governmental coöperation now in existence. By 1938, it had succeeded in securing the adoption of sixty-four labor conventions, with a total of 756 ratifications, or about twelve per convention.⁶⁵ This represents a substantial body of labor legislation. The seemingly small average number of ratifications gives a distorted picture of the situation. Many of the conventions, for example, have dealt with problems affecting only maritime or agricultural countries; others have been adopted too recently to permit time for ratification. At the end of the first decade of the I.L.O., it was estimated that the ratifications reported up to that time represented 62 per cent of the total possible number. Action on the length of the work week offers one index of the progress that has

⁶⁵ See the chart on "State of Ratifications" in the I.L.O. *Year Book 1937-38* (Geneva); also the *Official Bulletin* (I.L.O.), April 1938-April 1939. Almost as many recommendations have been adopted.

been made toward better international standards of employment. At the first I.L.O. Conference in 1919, a convention establishing a *forty-eight*-hour week was adopted. Twenty years later, despite the adverse effect of war preparations on hours of work in numerous countries, the Labor Organization was hard at the task of securing the establishment of a *forty*-hour week in certain industries and had succeeded in getting through such a convention covering textiles and a few other fields. Little further progress may be expected, of course, until the specter of war and militarism has disappeared from the international horizon. Nor has the I.L.O. thus far been able to do much with the wage problem because of differentials in production efficiency, in costs of living and in consumption habits, along with currency instability.

The official entrance of the United States into the I.L.O. in 1934, after a delay of fifteen years, has given its activity a renewed impetus. At a time when the political organs of the League were being increasingly ignored by important states, the recent labor conferences at Geneva have attracted a larger number of *complete* delegations than in the heyday of postwar "internationalism." At its twenty-fifth session in June 1939, the International Labor Conference adopted two conventions and six recommendations, no proposal being rejected. Some thirty countries (including the United States) maintain at Geneva permanent delegates accredited to the I.L.O. For most of the world outside the fascist orbit, at any rate until the outbreak of the second European war in 1939, the I.L.O. was a *going concern*. To be sure, it lacked authority to deal in any direct fashion with the causes of war; nor could it mitigate the clashes of high-power diplomacy. But it stood as a beacon of hope that social justice may some day become the foundation of a peaceful and democratic international order if and when human freedom triumphs over regimentation.

XXIII

THE SEARCH FOR SECURITY: VERSAILLES TO LOCARNO

AMERICA REJECTS THE LEAGUE

In the final analysis, the key to the failure to organize world peace since the first World War may be found in the failure to establish a workable collective security system allowing for "peaceful change." During the first postwar decade, the search for security dominated the international politics of the European Continent, and the European situation inevitably reacted upon the Americas and the Far East as well. Britain and the United States were the only major powers to survive the War and the peace settlements fully satisfied, and with a real sense of security. Germany was resentful and awaited opportunity for revenge. Italy felt that she had been cheated out of her proper share of the victory. Japan nourished a desire to regain Shantung, not to mention the hope of establishing hegemony over all eastern Asia. Lured by the Marxian mirage of extending the sway of bolshevism throughout the Eurasian region, Soviet Russia was soon to come into conflict with Poland. Although territorially satisfied, France, the chief Continental victor, was haunted by the prospect that a revived Germany might upset the Versailles applecart. As indicated in Chapter XXI, this was why France first sought the return of the Rhineland and failing that asked for an ironclad guarantee of military assistance from Britain and America. When the proposed guarantee arrangement lapsed, "France was left without any treaty protection against Germany other than that contained in the Covenant of the League of Nations."¹

But the guarantee provisions of the Covenant, as we have seen, fell far short of satisfying the French. Not only would a *unanimous* vote of the Council be necessary in order to bring the financial and economic sanctions of Article 16 into effect against Germany, but the Council could merely *recommend* military measures—recommendations that might be accepted or rejected by important powers as they chose. French skepticism as to the

¹ E. H. Carr, *International Relations Since the Peace Treaties* (London, 1938), p. 27.

efficacy of League action was further intensified by the refusal of the United States to enter the League. Without full American participation, France doubted whether it would be possible to make effective any form of economic embargo or blockade against a power potentially as strong as Germany.

This, however, was by no means the only important consequence of American refusal to share responsibility for upholding the new peace system. Largely as a result of American withdrawal, Britain, with "one foot in the sea and one on shore," soon showed signs of reverting to her traditional policy of avoiding positive commitments on the Continent. That is to say, she only halfheartedly accepted the security provisions of the Covenant.¹ Concerned lest America, as a non-League power, might invoke "the freedom of the seas" in the contingency of a League blockade, Britain preferred not to incur the risk of a naval or commercial collision with the United States. This point of view was strengthened by the attitude of the overseas Dominions, for the latter desired even more strongly than Britain herself to maintain the friendliest possible relations with the great American Republic.

"It is not too much to affirm," to quote the words of a distinguished British historian, "that just as America's intervention turned the scale of war and prevented a drawn peace, so her withdrawal destroyed the real hope of European consolidation, by depriving Geneva of one of the two chief exponents of Genevan doctrine. An inexorable consequence of this withdrawal was to strengthen that detached and hesitant outlook on the part of Britain which is inherent in her geographical situation—with the result that public opinion immersed itself in Genevan illusions and brought up the new generation on the assumption that pacifism had triumphed and that the reign of law had superseded brute force, while all the time the corresponding generation in most Continental countries was being deliberately trained to believe in force alone and to reject liberty and peace as a degenerate dream."² Had America entered unreservedly into the League from the outset, the therapeutic influence of the latter institution on European affairs would in all probability have been immensely strengthened by the powerful but disinterested weight of the country that gave it birth. Instead of this, the paths of France and Britain gradually diverged, coöperation yielding to friction, and France looked for other means to satisfy her desire for security. As early as the first Assembly meeting at Geneva, this friction came to the fore when Britain and the Dominions took the lead in an attempt to weaken the force of Articles 10 and 16 of the Covenant by interpretation. It grew sharper in 1922 after the failure of Premier Briand

² From R. W. Seton-Watson, *Britain and the Dictators* (New York, 1938), p. 84. By permission of The Macmillan Company, publishers.

to negotiate with Lloyd George a unilateral pledge of British assistance to France in case of attack by Germany. ✓

By 1923 the two wartime Allies reached the parting of the ways when, France, led by the rigid Poincaré, decided to occupy the Ruhr as a means of forcing Germany to meet her reparations payments. Here may be noted another indirect consequence of America's withdrawal from European affairs. With the American representative absent from the Reparations Commission (as well as from the Rhineland High Commission), France got control of these two bodies, her delegate holding the deciding vote in case of a tie. In actual fact, the British were usually outvoted three to one, Italy and Belgium supporting the French position. London contested the legality of the Ruhr occupation, but to no avail. If, on the other hand, the United States had ratified the Peace Treaty and along with it the tripartite alliance with France and Britain, there is good reason to believe that France would have adopted a conciliatory policy under Briand's leadership instead of following the vindictive Poincaré. If this had happened, Germany might have early been brought into the League as a sincere and loyal member, the disaster of inflation in Germany averted, and the Weimar Republic established on sufficiently firm foundations to nip the Nazi nationalist movement in the bud. To be sure, none of these assumptions can be proved, but they are at least reasonable inferences. In any event, insofar as America's abandonment of the League system contributed to the breach between Britain and France during the first years following the War, it left the Geneva organization largely under the domination of a single power—France. The net effect was to identify the League, in the popular view, with the perpetuation of the Versailles *status quo*, even though the combined power of France and her Continental Allies could with equal success have achieved this result had there been no League at all.

Why should the United States have refused to join the organization for which President Wilson had fought so hard and which American opinion in 1918 appeared so overwhelmingly to favor? To this highly controversial question history gives no simple answer. The motivation behind the American Senate's rejection of the Peace Treaties has been the subject of endless debate.³ Into all the complicated angles of the story we cannot go here. It will perhaps suffice to observe that bitter domestic partisanship joined with poor generalship on the part of Wilson, the existence of certain traditional fears, and the peculiar provisions of the American constitutional system, to produce the ultimate outcome.

³ D. F. Fleming's *The United States and the League of Nations 1918-1920* (New York, 1932) traces the League controversy in full detail; allowance must, however, be made for the author's mildly pro-Wilson bias. See also W. S. Holt, *Treaties Defeated by the Senate* (Baltimore, 1933).

By no means the least important element in the situation was the fact that the Republican Senate received the League Covenant from a Democratic President who had not seen fit to associate any important Republican leader with the negotiations at Paris. Undoubtedly this piqued such powerful senators as Lodge, Knox, and Borah—all the more in that the Republicans had won the congressional elections of 1918. It is a matter of record, moreover, that Henry Cabot Lodge, the chairman of the Senate Foreign Relations Committee, entertained a deep-seated hatred of Woodrow Wilson and that the latter cordially reciprocated this animosity. It is also clear that the Republicans, eyeing the national elections of 1920, were eager to discredit the Wilson Administration in every possible way. Without attributing a major significance to this factor, it is difficult to account for the shift of men like Lodge and Knox from their original advocacy of "a league to enforce peace," to hostility to a League with fewer teeth in it than the earlier American program.

Because they realized that American public opinion during 1918-19 predominantly favored the League, the method employed by its opponents was "to load the Covenant and the treaty with such amendments as to make it unacceptable to the President and the supporters in the Senate."⁴ Using the strategy of delay, the hostile Foreign Relations Committee succeeded in convincing a majority of the Senate that the Covenant as submitted by Wilson must be amended. It was natural that this should have exasperated the President, since he had himself labored assiduously at Paris to meet the objections raised by such honest critics of the Covenant as Elihu Root, William Howard Taft, Charles Evans Hughes, and A. Lawrence Lowell, all distinguished Republican leaders. It will be recalled that these men suggested provisions (1) to protect the Monroe Doctrine, (2) to allow the right of withdrawal, (3) to exclude domestic questions, and (4) to make the mandates optional. Amendments covering these four points were incorporated into the Covenant. Taft had cabled to Wilson in March that "the Monroe Doctrine reservation alone would probably carry the treaty, but others would make it certain." Nevertheless, when the Foreign Relations Committee finally completed its hearings in September, it recommended two further amendments and four reservations to the Covenant. The purpose of both of these amendments was to insure equality of voting between the United States and the British Empire. "Six votes for the British" had become an effective symbol of opposition to the Covenant from

⁴ Bemis, *op. cit.*, p. 644. Newspaper polls and resolutions passed by numerous state legislatures during the first half of 1919 offer conclusive proof that a decisive majority of the American people then supported the League, even though criticism of other aspects of the peace settlement was beginning to appear in such liberal journals as *The Nation* and *The New Republic*. As late as May 1919, Lodge himself acknowledged this popular approval of the League.

the pro-Irish group in the United States, and certain senators, notably Lodge, came from states with a large Irish vote. By the time the Treaty reached a final vote in the Senate, fourteen other reservations were added. The purpose of most of these so-called Lodge reservations was to make explicit the right of Congress to interpret the obligations of the United States under the Covenant. One of them declared that the Monroe Doctrine was "wholly outside the jurisdiction of the League." The most controversial reservation, however, was one that stated that "the United States assumes no obligation to preserve the territorial or political independence of any other country or to interfere in controversies between nations—whether members of the League or not—under provisions of Article 10, or to employ the military or naval forces of the United States under any article of the treaty for any purpose, unless in any particular case the Congress, which, under the Constitution, has the sole power to declare or authorize the employment of the military or naval forces of the United States, shall by act or joint resolution so provide."

As Woodrow Wilson viewed it this reservation struck at the very heart of the Covenant. Mistakenly, it would now appear, he was convinced that to adopt such a reservation would nullify the whole instrument. When it seemed that the Senate might attach the Lodge reservations to its consent to Treaty ratification, Wilson resorted to the strategy of appealing directly to the people. Unfortunately, while on his ill-fated speaking tour, he suffered a physical collapse from which he never fully recovered—a fact that may in part explain his subsequent failure to realize that the alternative had become no Covenant at all, or the Covenant with the equivalent of the Lodge reservations. Whether because of his enforced isolation from the rising current of popular criticism of the Covenant or because he had (perhaps correctly!) diagnosed the real goal of the opposition to be the defeat of the Treaty altogether, the President instructed his supporters to vote against the Lodge reservations. On 19 November, their votes, joined with those of the "irreconcilable" senators opposed to any kind of League, were enough to defeat the Treaty, fifty-five to thirty-nine. That same day, by a second vote of fifty-three to thirty-eight, the Senate rejected the Treaty without reservations. Still a third adverse vote on the Treaty with five "mild interpretative" reservations proposed by Senator Hitchcock, Wilson's leader in the Senate, was recorded—fifty-one against and forty-one for.

Both in Europe and the United States the repercussions of these votes were widespread. Bereft of effective leadership from the White House, but enjoined by the President not to yield on the Lodge resolutions, the pro-Leagueurs forced the Senate in March to reconsider its earlier vote. By this time the campaign against the Covenant had taken on the complexion of a country-wide partisan debate. Extravagant claims and counterclaims, only

slightly related to fact, were advanced by the rival camps. By some, for example, the League was castigated as a "superstate"; by others, as a futile "rope of sand." As the crucial vote approached, senatorial opposition hardened. The "packed" Foreign Relations Committee reported the Treaty back to the Senate with an even more objectionally phrased set of Lodge reservations and added a vote-catching declaration in favor of "self-determination for Ireland."⁵ At this juncture the man who had realistically made concessions to the Allied Powers at Paris, in order to get the Covenant adopted, adamantly refused to heed the advice of such friends as Colonel House that he must now compromise or face defeat. Viewed retrospectively, Wilson's exhortation to the Democratic senators once more to oppose the Lodge reservations must be set down as a decisive though understandable error in political generalship. This view, of course, rests upon a double assumption: (1) that the Allied Powers would have welcomed American membership in the League with whatever reservations the Senate might attach, and (2) that in case Wilson had capitulated on the Lodge reservations, the anti-Wilson group would not have proceeded to raise its demands to an impossible level. The first of these assumptions is probably valid, but of the second no one can be certain in view of the extreme animosity displayed by Wilson's senatorial opponents. However this may be, the Senate took a fourth and final vote on 19 March, 1920, and the Treaty (with the amended Lodge reservations) failed by *seven* votes to secure the necessary two-thirds majority, the division being forty-nine votes for and thirty-five against.

An analysis of the various alignments in the Senate on the Treaty issue indicates clearly that throughout the long debate there was always a majority for the Covenant with *reservations*—mild ones at first, stronger ones at the end, but still not strong enough to have impaired seriously the far-reaching psychological value of American participation. Accordingly, it would seem reasonable to infer that if the American Constitution had provided for approval of treaty ratification by simple majority vote of one or both houses of Congress, the Treaty would not have been rejected outright. "The tendency of the Senate to amend or reject treaties has gradually increased with the growing complexity of both national and international affairs, and with the enlargement of the Senate itself. Through the operation of the two-thirds majority rule, states with small population and agri-

⁵ The irony of this declaration is apparent when one remembers that upon gaining independent "dominion" status in 1922, the Irish Free State voluntarily became a loyal member of the League, thus adding a *seventh* vote to the British Empire group! The fear of a solid British bloc in the League has, moreover, proved to be ill-founded. On many controversial issues the Dominions have voted differently from Britain. If the United States had joined the League, the community of interest between Canada and itself would probably have resulted in the two countries voting the same way most of the time.

cultural economy have secured a greater influence in foreign relations than they possess in domestic affairs."⁶

If the peculiar provisions of the American Constitution relative to treaties must be credited with no small part of the responsibility for the impasse reached by President and Senate in 1920, the peculiar nature of the American party and electoral system made it impossible to secure any "great and solemn referendum" on the League. True, the Covenant was an issue in the presidential election of 1920; but it was by no means a clear-cut issue. Not even the Republicans dared to take an unequivocal stand against the League principle. In studiously ambiguous terms, their platform called for "an international association" to preserve the peace of the world. Before the campaign was over, thirty-one eminent Republican leaders, headed by Root, Hughes, Hoover, A. Lawrence Lowell, and Nicholas Murray Butler, publicly declared that this "association" meant *the League* formulated at Paris—with certain modifications. How many people who supported the Republican ticket thought they were voting for the League will never be known. There is little doubt, however, that partisan hatred of Wilson and the postwar urge to "return to normalcy" in national affairs had far more to do with the defeat of the Democrats than did the League issue.

During the campaign the opponents of the League resorted to such deliberate misrepresentation that years of reëducation were required before the American public came to understand the League's real nature and purposes—if it ever has! It was charged, for example, that acceptance of the Covenant would be an unconstitutional abridgement of American sovereignty, whereas, in fact, League membership limits sovereignty only to the extent that any freely negotiated treaty does. Time and time again Jefferson's admonition against "entangling alliances" was cited as authority for nonparticipation in an institution designed to end special alliances everywhere. Audience after audience was told how, if the United States entered the League, American "doughboys" would be called upon to die because of some remote quarrel in the Balkans or Near East. Indeed, this proved to be one of the most telling arguments, despite its substantial inaccuracy,

⁶ J. F. Green, "The President's Control of Foreign Policy," *Foreign Policy Reports* (New York, 1 April 1939). For fuller treatment of the Senate's record on treaties, consult Holt, *op. cit.*; D. F. Fleming, *The Treaty Veto of the American Senate* (New York, 1920); and L. Rogers, *The American Senate* (New York, 1927). Theoretically, it is possible for a treaty to be killed by senators from seventeen states containing less than one-thirteenth of the population of the country. Unhappy experience with the Senate has led more than one President to sidestep constitutional intent by the use of "executive agreements," which do not require formal ratification, or by the substitution of joint congressional resolutions for treaties proper. In 1934 the latter method was successfully employed by the Roosevelt Administration in taking the United States into the International Labor Organization. On the basis of this and other precedents, certain constitutional lawyers have held that the United States might have entered both the League and the Permanent Court by joint resolution of Congress.

in reviving the shibboleth of "isolationism"—a shibboleth that has plagued the American peace movement to this day. Finally, the rising tide of criticism in the United States against the territorial and economic provisions of the Versailles settlement cost the League, as an "integral" part of that settlement, much of the liberal support which it might otherwise have expected.

All of these observations are by way of explaining the ease with which the victorious Republicans proceeded to interpret the election of 1920 as a popular mandate against any kind of League. Notwithstanding the campaign assurances of Candidate Harding that he favored a remodelled League, Harding as President-elect could exultantly proclaim to his fellow townsmen on 4 November: "You just didn't want a surrender of the United States of America; you wanted America to go on under American ideals. That's why you didn't care for the League which is now deceased."⁷ The new Administration made no move to ratify the Covenant on any terms, whether with or without the rest of the Treaty. Instead, it negotiated a separate peace with Germany by which, ironically enough, the United States reserved *in toto* the advantages it would have received under the Treaty of Versailles. Similar treaties were made with Austria, Hungary, and Turkey. All the material advantages, but no responsibility for maintaining the new peace system—to this level of national behavior had America sunk by the end of 1921! "The triumph of the Senate cabal was complete."⁸ Wilson left the White House a broken man, physically if not spiritually, and died a few years later without knowing what the ultimate fate of his League experiment was to be.

For six months after Harding's inauguration the existence of the League was officially ignored by Washington. With Secretary Hughes at the helm, the State Department did not even show Geneva the courtesy of acknowledging communications received through the American Minister to Switzerland. Gradually, this attitude of complete noncoöperation gave way to a policy of official tolerance and the dispatch of "unofficial observers" to certain of the humanitarian conferences at Geneva. It was not until 1925, however, that the American government advanced to the point of participating officially in any League activity. Since that date American representatives have played increasingly important rôles in the work of the health, opium traffic, communications and transit, and other nonpolitical services. As already noted, the United States also inaugurated in 1925 the policy of registering its treaties with the League Secretariat. It sent an official delegation to the World Economic Conference of 1927, took an

⁷ *The New York Times*, 5 November 1920 (quoted in Fleming, *The United States and the League of Nations*, p. 471).

⁸ Fleming, *ibid.*, p. 473.

active part in the technical arrangements for the Geneva Disarmament Conference of 1932-34 and aided in the preparation of the Conference on the Codification of International Law which met at The Hague in 1930. During the presidential campaign of 1928, such Republican leaders as Hoover and Kellogg actually "pointed with pride" to the Administration's coöperation with the League. That same year the American consulate in Geneva was enlarged and one of its staff, Mr. Prentiss Gilbert, was assigned to act as "observer and reporter" of League affairs. By 1931 the United States was represented on thirty-six out of seventy-five technical committees and advisory organizations—more than any League member except the Great Powers.⁹

The steady evolution of United States policy after 1925, from nonrecognition to partial coöperation with Geneva, must not blind us to the serious damage done the League, during its early critical years, by the absence of America as a full-fledged member. Primarily because of this absence, the guarantee function of the Covenant could not be effectively implemented. At times, moreover, American opposition either obstructed or interfered with the development of the technical work of the League. Such was the case in 1920 when Secretary Hughes opposed the absorption of the International Public Health Office at Paris into the new and much more effective Health Organization of the League. Another example of this attitude may be seen in the American objection to the transfer to the League of administrative responsibility under the Opium Traffic Treaty of 1912. Regarding political questions, this tendency to quibble came still more strongly to the fore when the United States refused to accept the Saint-Germain Arms Traffic Convention of 1919 largely because "the provisions of the convention relating to the League of Nations were so intertwined with the whole as to make it impracticable" for the American government to ratify the agreement.¹⁰ Washington also declined to have anything to do with the League's Permanent Advisory Commission on Armaments, making it necessary to set up this body under a different name before an American representative could participate in its work. Even when, by the early 1930's, the United States evinced a disposition to coöperate with the League on certain political matters, Geneva was never sure of what to expect from Washington. We shall see later how this American policy of "fits and starts," so

⁹ For a comprehensive treatment of American relations with the League system, consult D. F. Fleming, *The United States and World Organization 1920-1933* (New York, 1938); also C. A. Berdahl, *The Policy of the United States with Respect to the League of Nations* (Geneva, 1932). American participation is summarized year by year in the Carnegie Endowment pamphlet series, *International Conciliation* (see Nos. 341 and 352 for the years 1937-38).

¹⁰ As explained by Secretary Hughes in a public address. *The New York Times*, 24 October 1924.

noticeable during the Sino-Japanese dispute over Manchuria, helped to fortify the British inclination not to undertake forcible measures against Japan.¹¹

THE LEAGUE AND POSTARMISTICE SETTLEMENT

Left by America as "a foundling" on the doorstep of the European Allies, a seriously crippled League began its life. The wave of popular enthusiasm for its ideals waned as Europe became enmeshed in the knotty problems of postwar reconstruction. In Russia civil war was still raging between the "Reds" and "Whites," the latter being aided by arms from the Allied Powers. The new state of Poland, manifesting a reckless nationalism once its independence was regained, set out to conquer the Ukraine. Taking the counteroffensive, the Soviet army turned on the Poles and almost reached the gates of Warsaw before the latter, with the technical assistance of high officers of the French army, were able to hurl back the Bolsheviks. By the Treaty of Riga (1921) a permanent frontier between Poland and Russia was established, the former abandoning the claim to most of the Ukraine, while receiving in compensation a large section of White Russia.

Poland next came into collision with her neighbor Lithuania, one of the little Baltic States whose independence had been recognized in 1918. Here the bone of contention was Vilna, a city which had been the capital of the medieval capital of Lithuania and which the new Lithuania now proclaimed as its capital. The Poles were disappointed because the Lithuanians had preferred independence to union with themselves. Poland, moreover, held a strong attachment for Vilna, the seat of a celebrated Polish university, although the bulk of its population was Jewish. A few months after the Soviet Government in July 1920 recognized the claim of Lithuania to Vilna, the Poles attempted to retake the city from which they had earlier been dislodged by the Russians. Finding Vilna occupied by Lithuanian troops, Poland asked the League Council to intervene in order to prevent war between the two countries. After long and involved negotiations, an armistice was signed and a boundary line agreed upon which left Vilna well within Lithuanian territory; whereupon an independent Polish general, acting without authority from Warsaw, reoccupied Vilna. Although this action was officially disavowed by the Polish government, Polish troops remained in Vilna. Since France was not inclined to apply pressure against her ally, the efforts of the League Council to adjust the situation to the mutual satisfaction of the two disputants proved futile. Instead, the Council

¹¹ See pp. 582-584, *infra*.

eventually, by 1923, adopted a resolution under Article 15 which established a provisional line of demarcation favoring the Polish claim. Lithuania refused to accept this decision. Faced with the possibility that Poland might resume hostilities, Lithuania then asked the Conference of Ambassadors (an agency set up by the Peace Treaties to adjust certain boundaries) to determine definitely the eastern frontiers of Poland. This was done to the disadvantage of Lithuania and the Poles retained possession of Vilna.

This incident is cited in detail because it clearly illustrates the extent to which the young League, as a political body, could operate only as France and her Continental allies dictated. To the French government a strong Poland seemed indispensable for two reasons: (1) to act as a check on Germany in the East and (2) to provide a buffer against Soviet expansion westward—as a part of the so-called “sanitary cordon” against the “deadly virus” of Bolshevism. In large measure the whole French alliance system during these years was intended to provide protection to Poland and the Little Entente states (Czechoslovakia, Rumania, and Yugoslavia). A Franco-Belgian military agreement concluded as early as September 1920 closed the French alliance circle.¹² From the German point of view, this “mutual assistance” policy looked like “encirclement.” From the French standpoint, it appeared necessary as a substitute for a strong and workable League in order to block any and all attempts, whether from Germany, Soviet Russia, Austria, or Hungary, to upset the *status quo* established by the Peace Treaties. Throughout the period under review, the Quai d’Orsay remained the consistent and uncompromising enemy of treaty “revisionism.”

The political impotence of the League during the early postwar years may be noted in respect to other international developments, a few of which resulted in forcible changes in the *status quo*. Mustafa Kemal succeeded in driving the Greeks out of Asia Minor and in 1923 he forced the Powers to recognize the restoration of Turkish sovereignty by the Treaty of Lausanne. This settlement replaced the Treaty of Sèvres so effectively torn up by the Turkish nationalist leader. In the Far East China refused to sign the Treaty of Versailles because of the retention of Shantung by Japan—a situation that was cleared up, not by the League, but by the Washington Conference on Naval Disarmament, convened in 1921-22 by the United States government. Operating outside the purview of the League, this Conference not only checked the growing naval rivalry that was seriously straining the relations of Britain and the United States, but brought about the termination of the Anglo-Japanese alliance, dating from 1902, in addition to the conclusion of two important treaties dealing with

¹² This agreement, secret in character, was not registered at Geneva until November—a technical violation of Article 18 of the Covenant.

the Pacific area.¹³ One of these was the Four Power Treaty by which the British Empire, the United States, France, and Japan agreed mutually to respect their possessions in the Pacific basin and to consult together in case of any threat to the security of these possessions. The other Treaty, signed by all the nine Powers represented at the conference, pledged these Powers to respect the independence and integrity of China and to refrain in the future from seeking exclusive privileges in China. For the first time since its rejection of the League, the United States, through these agreements, evinced an inclination to participate in a limited system of consultation affecting the peace of a regional area in which it had special interests, though, to be sure, the consultation carried with it no commitment concerning joint action.

In Europe, after 1920, a series of diplomatic conferences divorced from the League framework, struggled with the tangled problems of reparations and various boundary adjustments left hanging by the Peace Treaties. One of these adjustments, having to do with the former German province of Upper Silesia, was eventually turned over to the League. The Treaty of Versailles had originally proposed to transfer to Poland most of this rich territory, regardless of the wishes of its inhabitants, the majority of whom were German-speaking. This decision, however, gave rise to such vehement protest that the Supreme Council of the Allied Powers (another wartime body carried over to the peace period) decided to hold a plebiscite. The results of the vote, held in November 1921, showed a substantial majority for the Germans. Failing to agree on how to divide the district on the basis of this vote, the Supreme Council dumped the matter on the doorstep of the League Council. The latter body appointed a Commission to study the question and finally, in order to avoid a deadlock, recommended a compromise boundary line which was eventually adopted.¹⁴ Accompanying the recommendation were two others that Germany and Poland should negotiate bilateral conventions (1) covering the administration of Upper Silesia as an economic unit and (2) binding them to protect the rights of minorities on both sides of the new frontier. This solution, though probably the best obtainable under the circumstances, tended to favor the Polish claims, which were backed by the French against opposition from Great Britain and Italy.

The Adriatic policy of Italy was the occasion of the League's first clash with one of its own Great Power members. Discontented with the terms of the Peace Settlement relative to the Dalmatian coast, the Rome govern-

¹³ The naval results of the Washington Conference will be considered later. See pp. 585-587, *infra*.

¹⁴ See Sarah Wambaugh, *Plebiscites since the World War* (3 vols., Washington, D. C., 1933), I, 269 ff.

ment, in September 1919, had tacitly sanctioned the occupation of the port of Fiume by the swashbuckling poet D'Annunzio and an unofficial military force. With French support Yugoslavia was eventually able (by 1924) to secure from Italy the relinquishment of most of the Dalmatian shore except Fiume. During the interval, however, Italy sought and secured from the other Allied representatives on the League Council a recognition of its right to intervene in Albanian affairs—despite the fact that Albania had been admitted to the League in 1920 as an independent state. Indeed, the Albanian question continued to exasperate Italian relations both with Yugoslavia and Greece for some time after the Fascist "March on Rome."

About a year after the advent of Fascism to power, there occurred an important incident which brought the League into direct collision with Mussolini. The Italian representative (and three of his assistants) on a commission sent by the Conference of Ambassadors to delimit the boundary between Albania and Greece was murdered by Greek bandits on Greek soil. In peremptory fashion Rome at once dispatched to Athens a twenty-four-hour ultimatum containing seven demands, among which was the payment of an indemnity of 50,000,000 lire. Upon the refusal of Greece to accept three of these demands, including the indemnity, Mussolini ordered the Italian fleet to bombard the Greek island of Corfu, several Greek civilians being killed during the operation. Greece now appealed simultaneously to the Council of Ambassadors and the League Council, asking that the occupation of Corfu cease. Although Mussolini contested the jurisdiction of the League and secured from the Inter-Allied body its approval of an indemnity, provided Greek responsibility was established, the League Council discussed the case and sent to the Council of Ambassadors a set of suggestions as to how satisfaction might be given to Italy without prolonging the occupation of Corfu. In the end Greece agreed under pressure to pay the indemnity on condition that Corfu be evacuated. Italy withdrew its forces from the island and Mussolini later turned over a portion of the indemnity to the families of the victims of the bombardment. Although the other League Powers appeared to be unwilling to take forcible action against the high-handed behavior of one of their own number, the moral condemnation of Rome both in the Council and in the Assembly, which happened to be in session at the time, undoubtedly influenced the Italian decision to evacuate Greek territory.

The relations of western Europe with Bolshevik Russia during the first few years after the Peace gave rise to diplomatic manoeuvres completely independent of Geneva. Not only was the Soviet Union outside the League fold, but the major League Powers decided to withhold official recognition of the Soviet government (1) until the question of repudiated Tsarist debts was satisfactorily adjusted and (2) the Soviets gave assurance that they

would desist from communist propaganda in western Europe. When, however, it became evident that little satisfaction could be expected from Moscow on either of these counts, the prospect of profitable commercial relations with Russia led Great Britain and Italy, in 1921, to conclude trade agreements with the Soviet government. Earlier that year, the Soviets had signed treaties of friendship with Turkey, Persia, and Afghanistan. The following year, in April, the British government invited the Soviet Union to participate in a general economic conference at Genoa to which Germany also sent a delegation. Far from securing a general agreement on debts and trade, which Mr. Lloyd George hoped would materialize from the conference, the uncompromising attitude of the French and Belgians on the debt question threw the Soviets into the hands of Germany. "A week after the conference assembled the German and Soviet delegations met quietly at Rapallo, a seaside resort a few miles from Genoa, and signed a treaty of friendship between the two countries. The terms of the treaty were unimportant, but its signature was a significant event. It secured for the Soviet Union its first official recognition by a Great Power; and it was the first overt attempt by Germany to break the ring which the Versailles Powers had drawn around her. The indignation with which this treaty was greeted by the Allied Powers was understandable. But it was the direct consequence of treating Germany and the Soviet Union as inferior countries."¹⁵

Through the medium of the Third International, hardly distinguishable from the Soviet government itself, the westward reaches of communist propaganda continued for several years to poison the relations of the Western Powers with the Soviet Union. Following the death of Lenin in January 1924, however, a perceptible change in the direction of Soviet policy took place. The victory of Stalin over Trotsky led gradually to an official disavowal of the "world revolution" program of the Comintern by the Soviet government. The Labor government of Mr. Ramsay MacDonald, soon after coming into office in February 1924, accorded *de jure* recognition to Moscow—a step followed before the year ended by Japan, Italy, France, and other European states. The Third International, meanwhile, still sought to win German masses to its cause, though without marked success. During the British parliamentary elections of 1924, a letter purporting to have been written by Zinoviev, a member of the Comintern directorate, was published by a London newspaper. In this letter instructions were issued to British Communists as to how the cause of Communism might be advanced in England. Although the Moscow government was quick to deny the authenticity of the document, it had a disastrous effect on Labor's chances of winning the election. A Conservative government

¹⁵ Carr, *op. cit.*, p. 75.

was returned to power and it proceeded to scrap a pending agreement for the mutual cancellation of outstanding claims and for a guaranteed loan to the Soviet government. Two years later, during the British general strike, the Russian trade unions offered funds in support of the strikers. Further evidences of Soviet propaganda caused the British government to abrogate its Trade Agreement with the Soviet Union in 1927.

The year 1927 marked a definite turning point in Soviet foreign policy. Trotsky and his associates were expelled from the Communist party and forced to flee from Russia. Now in full control, Stalin declared his intention of "building socialism at home" and coöperating peacefully with the capitalist world. Whatever the distant future might hold, world revolution was renounced as an immediate objective by the Soviet leaders. This shift of policy brought the Soviet Union into partial coöperation with the League. Soviet delegates attended the Geneva Economic Conference of 1927 and from that year onward officially participated in the discussions of the Preparatory Commission for the Geneva Disarmament Conference.¹⁶

THE GENEVA PROTOCOL AND "GENERAL SECURITY"

Despite the decidedly restricted political influence which the League of Nations was in a position to exercise during the first few years following the Peace Conference, the basic problem of security and disarmament occupied an increasingly prominent place on its agenda as immediate postwar readjustment receded from the forefront of European politics. It will be recalled that Article 8 of the Covenant imposed upon the League Council the obligation to formulate plans for the reduction of national armaments. There was also the implicit pledge, contained in the preamble to Part V of the Treaty of Versailles, that the enforced disarmament of Germany would be followed by arms limitation all round. Before the First Assembly met in November 1920, the Council had, in accordance with Article 9, set up a Permanent Advisory Commission composed of military, naval, and air experts. Because of the exclusively military composition of this body, the Norwegian delegation at the First Assembly proposed that there be established a Temporary Mixed Commission consisting of civilian representatives. This proposal was accepted by the Assembly and early in 1921 the new Commission began its labors. Later that same year a Disarmament Section was established in the League Secretariat.

The first approach made by the League Commission to the baffling

¹⁶ The evolution of Soviet foreign policy down to 1933 is traced objectively in M. T. Florinsky's *World Revolution and the U.S.S.R.* (New York, 1933). See also R. Palme Dutt, *World Politics 1918-36* (New York, 1936), chap. VIII, for a communist interpretation.

question of arms limitation was at least implicitly based on the assumption that armaments cause wars and consequently contribute to a general state of international insecurity. In order, therefore, to diminish the probability of war, armaments should gradually be reduced by general agreement "to the lowest point consistent with national safety." Lord Esher, a British member of the Temporary Commission, brought forward a plan, as simple as it was direct, designed to be a first step in the desired direction—at any rate insofar as European land armaments were concerned. In essence, the Esher plan proposed that European armies be organized into units of 30,000 men (exclusive of colonial contingents). France was to be allowed six units; Italy and Poland four each; Great Britain, Czechoslovakia, Greece, Yugoslavia, Holland, Roumania, and Spain three each, the other states being allotted two or one, as the case might be. In support of the Esher proposal it was possible to cite the success of the Washington Naval Conference early that year in establishing a numerical ratio for the limitation of capital ships and aircraft carriers. But what the proponents of the Esher plan failed to take into account was the fact (1) that the context of the naval agreement resembled only slightly the surcharged European situation and (2) that even at Washington "the requirements of security were to some extent dealt with" by the conclusion of the Four Power Treaty pledging the signatories to a policy of coöperation, consultation and mutual help in the Pacific area, "as well as by the Nine Power Treaty guaranteeing the independence and integrity of China."¹⁷ Moreover, the numerical restriction of specifically defined instruments of naval warfare, such as battleships, is an easy matter to enforce since they cannot be concealed. On the other hand, the strength of an army does not depend merely upon the number of men in uniform, but also upon the number of trained reserves, the size of the air corps, the adequacy of technical equipment and basic supplies, and a host of other questions. Consequently, the Esher plan was quickly laughed out of court by the military experts.

With the failure of this initial approach to the arms problem, it became increasingly evident that disarmament must be attacked as a phase of the larger problem of security. Until some international system could be devised by which resort to force under any and all circumstances would not only be illegal, but be subject to collective punitive action, there seemed to be no prospect of inducing the heavily armed Continental states to curtail their defense establishments.

French insistence upon this point of view was strengthened by the trend of discussion on sanctions in the early Assembly meetings at Geneva. In 1921, for instance, the Assembly had adopted a series of interpretative

¹⁷ G. M. Gathorne-Hardy, *A Short History of International Affairs, 1920 to 1938* (Rev. ed., London, 1938), p. 54.

resolutions which weakened both the force and the coercive character of the collective economic measures envisaged by Article 16 of the Covenant. Again, at the Fourth Assembly in 1923, a resolution, opposed only by Persia, declared that

It is for the constitutional authorities of each Member to decide, in reference to the obligation of preserving the independence and the integrity of the territory of Members, in what degree the Member is bound to assure the execution of this obligation by employment of its military forces.

Canada, as one of the prime movers of this resolution, had in mind the desirability of "diluting" Articles 10 and 16 so as to meet more fully American objection to the League. In fact, all through the early years of the League's development Geneva continued to nourish the hope that a way might be found to draw America into its fold, partially if not completely.

Closely associated with this point of view were Great Britain, most of the other Dominions, and the northern European democracies that had remained neutral during the War. To this group of countries—it could scarcely be called a "bloc"—the chief promise of the League appeared to be in the expansion of its conference and consultation machinery. This was the so-called "peace" group. At the other pole, in the steadily crystallizing alignment of League members, stood France and her Continental allies. They constituted the "security bloc" and were primarily concerned with the maintenance of the *status quo*. In their view an implementation of the guarantee provisions of the Covenant was an indispensable prerequisite of arms reduction. It was only natural, therefore, that they should have looked with alarm upon the apparent tendency to "water down" the sanctions obligations.¹⁸

Shortly after the abandonment of the Esher plan, the 1922 Assembly enunciated the principle that reduction of armaments could not "be fully successful unless it is general," that reduction was related to "a satisfactory guaranty of the safety" of many states, and that it might be possible to effect such a guaranty by a defensive agreement open to all countries providing "immediate and effective assistance in accordance with a prearranged

¹⁸ Between the "peace" and "security" groups, various League members took fluctuating intermediate positions. Following the advent of fascism, Italy moved gradually from the *status quo* to the "revisionist" camp, which, after the admission of Germany in 1926, became articulate. For many years the Japanese government coöperated loyally with efforts to strengthen the security system—until, having fallen under the domination of the military party at home, it decided to defy the League over Manchuria. For the most part, the South American nations displayed an indifferent attitude toward the central issues of League policy, their chief interest being to "lobby" for the election of as many of their number as possible to the Council, the Court, and various League committees. For fuller accounts of intra-League alignments, see Sir Arthur Salter, *Security: Can We Retrieve It?* (New York, 1939), pp. 114-25; and W. E. Rappard, *International Relations as Viewed from Geneva* (New Haven, 1925), chap. VI.

plan in the event of one of them being attacked." Responding to this expression of opinion in the Assembly, the Temporary Mixed Commission, under Lord Robert Cecil's energetic leadership, submitted to the 1923 session a Draft Treaty of Mutual Assistance. Briefly stated, this Treaty provided that within four days after any outbreak of hostilities the Council should meet and determine the aggressor, whereupon special defense arrangements were to go immediately into effect. The ingenious part of the Treaty, designed to strengthen the Covenant and at the same time to meet American objections, lay in the nature of these defense measures. In order "to combine the respective advantages of a general guarantee and a local system of alliances," the Draft Treaty imposed upon the League Council the task of indicating what military or financial assistance should be furnished the victim of aggression, but with the definite proviso that such military assistance should be confined to states situated on the same continent as the aggressor state. With the Council's approval, states were to be permitted to conclude special mutual assistance agreements of a regional character—a provision inserted upon the insistent request of France. The Treaty branded wars of aggression as "an international crime" and made automatic the obligation of the signatory powers to go to the aid of any state which, having reduced its armaments, should find itself a victim of aggression.

As events turned out, the regional alliance scheme, which was thus to be superimposed upon the general League system, was primarily what caused the rejection of the Treaty by Great Britain and the Dominions. During the winter of 1923-24, the first Labor Government under Ramsay MacDonald had succeeded the Baldwin Conservative cabinet and the act of rejection came from the new Government; but the British reply would doubtless have been the same in any event. For "the apportionment of liability on continental lines cut fatally across the structure of the British Commonwealth with its world-wide responsibilities. Either some parts of the Empire might be at war while others remained at peace—a situation regarded at that date as intolerable—or Great Britain and her Dominions would be subjected to a wholly disproportionate share of the burden of resisting aggression in all parts of the world. In any case, no continental exemption could apply to the British Navy."¹⁹ Accordingly, despite the enthusiastic reception given the Treaty by France and most of her Continental allies, it fell by the wayside.

Nevertheless, the long debate on the Draft Treaty had brought a fuller recognition of the vital importance of security in any disarmament program. Simultaneously, a marked improvement in the European political atmos-

¹⁹ Gathorne-Hardy, *op. cit.*, p. 59. The Protocol was approved in principle by eighteen governments.

phere took place as a result of the French elections of 1924. After a campaign fought primarily over the foreign policy of M. Poincaré, the reactionary *Bloc National* was succeeded by a liberal coalition headed by M. Herriot. As indicated in an earlier chapter, the Dawes reparations plan followed closely upon this change in the French political situation. Both M. Herriot and the new Labor Premier of Britain sincerely believed in the League as a means of furthering European pacification and the establishment of a general security system. When these two men came together at the historic 1924 Assembly as heads of their respective delegations, a new approach to the whole problem immediately took form. This approach envisaged a return to the conception of *general* security. The key to the problem, declared M. Herriot in his eloquent maiden speech before the Assembly, lies in the general acceptance of the principle of compulsory arbitration, "which will once again settle our difficulties, since henceforth the aggressor will be the party which refuses arbitration." In other words, such refusal was to become an automatic juridical test of aggression. Arbitration, security, and then disarmament—this was the famous formula now advanced by France for a workable peace system built upon and around the League.

On the basis of a joint resolution submitted by MacDonald and Herriot, the Assembly proceeded to draft the famous Geneva Protocol, regarded by most observers at the time as the most comprehensive plan yet devised by mankind for the outlawry of aggression. Although the actual drafting of the text of the Protocol was the combined effort of Dr. Benes, then the Czech Foreign Minister, and of M. Politis, an eminent Greek international lawyer and delegate from his country, the idea of using arbitration as a test of aggression may be traced to two earlier proposals. One of these was made in 1923 by certain Scandinavian statesmen and the other by a private American committee headed by Professor James T. Shotwell. The latter group had "pointed out with force that what had been to many governments the real stumbling block in the Draft Treaty of Mutual Assistance was the provision which left to the Council the duty of deciding, with full and unlimited discretion, which party to any given war had been guilty of aggression."²⁰ Although in the end it proved impossible to bring all types of disputes within the ambit of arbitration proper, the main emphasis of the Protocol was to elaborate the procedures of the Covenant for the peaceful settlement of international controversies.²¹

With this object in view, the Protocol required every signatory state to

²⁰ P. J. Noel Baker, *The Geneva Protocol* (London, 1925), p. 18. This volume consists of a detailed, authoritative analysis of the provisions of the Protocol. David H. Miller's *The Geneva Protocol* (New York, 1925), may also be consulted to advantage.

²¹ Its full title was the "Protocol for the Pacific Settlement of International Disputes."

accept the compulsory jurisdiction of the World Court over all disputes covered by the "optional clause" of the Court's Statute. The decision of the Court would be binding and any violation thereof would be punishable as an act of aggression. For nonlegal disputes, the procedure laid down in the Covenant under Article 15 was to be maintained, but with one important difference: in case the Council were unable to reach a unanimous decision (minus the parties to the dispute), it must try to persuade the parties themselves to submit the issue to arbitration or judicial settlement, or failing that, as a last resort, it must refer the matter to a committee of arbitrators of its own choosing whose decision would be binding upon the disputant parties. Refusal either to accept arbitration or to abide by a unanimous report of the Council or an arbitral award would constitute an act of aggression.

Not only did the Protocol thus endeavor to close the chief war "gap" in the Covenant, namely, the failure of the Council to reach a unanimous decision, but it sought also to minimize the possibility of conflict arising out of disputes over "domestic questions." If one of the parties should claim that the issue lay within its domestic jurisdiction, the arbitrators were required to ask the Permanent Court for its advice on the matter, which would be binding. Even in this contingency, the Council (or Assembly) might consider the situation under the conciliatory procedure of Article 11. No state thus submitting such a controversy to the League for consideration would, however, be judged an aggressor, even if it resorted to force against the opposing party.

Other situations not covered by the Covenant were met by provisions of the Protocol. During the consideration of a dispute, no party could, without becoming a presumed aggressor, increase its military strength or mobilize its armed forces. Demilitarized zones were recommended to states with adjacent land frontiers. If any such zone, previously established and recognized by both countries, should be violated, the state in question would be guilty of presumptive aggression. In case hostilities should break out, whether before or after the appropriate agency of pacific settlement had completed its consideration of a dispute, the attacking party would likewise be adjudged an aggressor. The same judgment would hold in the event of the infringement of any provisional measures enjoined by the Council during the course of its investigation. Finally, if the Council should not succeed in determining the aggressor, it would still be required to impose an armistice upon all contestants, acting for this purpose, if need be, by a two-thirds majority.

Taken in its entirety, the Geneva Protocol may be said to have banned all recourse to aggressive war and to have provided a virtually all-inclusive set of tests by which an aggressor (or aggressors) might be identified. Resort to force remained legal only in three clearly defined situations: (1) in

the actual defense of a state's territorial rights and political independence against invasion; (2) in case of the refusal of a state to apply a decision of the Permanent Court, an arbitral commission, or the Council; and (3) in the event of forcible sanctions authorized by the League. On the matter of sanctions, however, the Protocol added comparatively little to the existing provisions of Article 16 of the Covenant. In accepting the Protocol, each of the contracting parties pledged itself "to cooperate loyally and effectively in support of the Covenant of the League of Nations and in resistance to any act of aggression, in the degree which its geographical position and its particular situation as regards armaments allow" (Article II of the Protocol text). In order to facilitate the application of economic and financial sanctions, the economic and financial services of the League were to "consider and report" on plans of action which the Council should communicate to the League members and other signatory states. In case collective military action were recommended by the Council, states bound by special agreements to go to the assistance of a particular state when subjected to aggression would be free to put such agreements into force provided that they had been registered and published by the League Secretariat. As a penalty and possible deterrent to aggression, the Protocol further declared that the entire cost of all military, naval, and air operations, and the reparation for all losses incurred because of aggression, should be borne by the aggressor state "up to the extreme limit of its capacity."

It is important to note that the Protocol did not make military sanctions obligatory. In this respect its terms were less drastic than the Draft Treaty of Mutual Assistance. Nevertheless, the Herriot Government of France signified its willingness to accept the new security plan, thereby demonstrating the conciliatory spirit which had come over French foreign policy by 1924. At the same time, the whole orientation of the Protocol was toward a system which would guarantee the territorial *status quo* in Europe. This was still the primary concern of France and her Allies. "In other words," as Professor Carr rightly observes, "the Protocol accentuated what is now generally regarded as one of the weaknesses of the Covenant: its tendency to identify security with the maintenance of the 1919 settlement, and its failure to provide adequate machinery for the revision of that settlement. But in 1924 this criticism was scarcely heard. Germany was not yet a member of the League. The lesser ex-enemy states still had more fear of suffering aggression than hope of being strong enough to commit it; and they gladly signed the Protocol."²²

Unfortunately, the Protocol was destined to suffer the same fate as the Draft Treaty. According to the final articles of the Protocol, the signatory states agreed to participate in an International Conference for the Re-

²² *Op. cit.*, p. 91.

duction of Armaments which was to be convened by the League Council in June 1925. This, of course, represented the capstone of the whole plan. Before the arms conference could meet, it was specified that ratifications of the Protocol must be deposited in Geneva by at least a majority of the permanent members of the Council and ten other members of the League. But the wave of enthusiasm which attended the unanimous adoption of the Protocol by the 1924 Assembly proved to be short-lived. Before the year closed, the MacDonald Labor Government, which had fathered the Protocol, was succeeded by a Conservative Government under Stanley Baldwin. One of the issues in the election was the Protocol. The exigencies of party politics no doubt provoked a more searching criticism of its provisions than might otherwise have been the case. Yet, given the tradition of continuity in British foreign policy, one may well wonder whether any House of Commons majority could have been secured for the Protocol during 1924-25. At any rate, Great Britain soon administered a deathblow to the plan. Her reasons appear to have been twofold: First, there were objections from the overseas Dominions, partly because of the fear that their domestic policies relative to Oriental immigration might be brought within the purview of the League,²³ and partly because they preferred not to become involved any further in a system of collective sanctions, through their Imperial connection with Great Britain, which might entangle them in European political quarrels. Basically, this reluctance was but a continued manifestation of the "isolationist" position that Canada, in particular, because of its proximity to the United States, had maintained ever since the First League Assembly. In the second place, public opinion in Britain itself soon began to express the fear that, with the United States out of the League, the British navy might find itself in collision with America in case the League undertook to blockade a Continental aggressor. Under the circumstances, the British hesitated to accept international commitments which might leave them, so to speak, "holding the bag." Nor were they enamoured of the proposal to extend the technique of arbitration to what were essentially political controversies.

In retrospect, however, it seems fair to conclude, with Sir Alfred Zimmern, that a more statesmanlike course on Britain's part would have been, "not to repeat the gesture of objection, thus for the second time throwing the work of a whole Assembly of some fifty delegations on the scrap heap, but to draw up a reasoned series of objections, accompanied by corresponding amendments. Had this been done, the real underlying differences between the British and the Continental view of the League would have

²³ It had not passed unnoticed that the amendment to the Protocol dealing with domestic questions had originated with the Japanese delegation.

been threshed out in a favourable atmosphere, rather than as an embittering by-product of a Disarmament Conference."²⁴

With the lapse of the Protocol, five years of hard and conscientious effort to devise an international security system on a world-wide scale came to naught. Concomitantly, preparations for a general disarmament conference suffered a serious setback—a setback tragically destined to usher in years of costly delay that were to give the German Nazi movement one of its most telling mass appeals.

LOCARNO AND

"REGIONAL SECURITY"

In communicating to the League Council Great Britain's rejection of the Protocol, Sir Austen Chamberlain, the new British Foreign Minister, had ventured the suggestion that the security problem might be solved by regional agreements. Since, in his opinion, it did not seem feasible to apply any general sanctions scheme without assurance of full American coöperation, why should not those European states most directly concerned over their national security be made the beneficiaries of a regional guarantee plan? Sir Austen, of course, was referring to the relations of France and Germany. As a matter of fact, the initiative for a Rhineland guarantee plan had already come from the German government. As far back as 1922 Berlin had proposed to Paris that the two countries mutually pledge themselves not to resort to war against one another for a generation. Under this plan, the United States was to be invited to act as the disinterested "trustee" (or guarantor) government. Then about to occupy the Ruhr, Premier Poincaré peremptorily denounced the German offer as "a clumsy maneuver." Notwithstanding this rebuff, Germany repeated her proposal on two occasions during 1923; but with the same negative result. By the end of 1924 the political atmosphere had so improved that, when the British Ambassador to Berlin, Lord D'Abernon, hinted that Britain might be willing to play the part of guarantor, Gustav Stresemann, the German Foreign Minister, made fresh advances to France. The following April Aristide Briand entered the Quai d'Orsay for what was to be seven years of uninterrupted tenure as French Minister of Foreign Affairs. The fortunate coincidence that Chamberlain, Stresemann, and Briand were now simultaneously in charge of the foreign policies of their respective countries set the stage for the famous Locarno Pact. For four years these three statesmen, all men of broad vision, genuine good will, and rare diplomatic capacity, were to collaborate sincerely toward the goal of general European pacification. For

²⁴ *Op. cit.*, p. 357. Reference here is to the World Disarmament Conference that eventually met at Geneva in 1932. See pp. 595-605, *infra*.

four years the "Spirit of Locarno" which they generated gave new hope that at last an enduring settlement of the age-old Franco-German duel was in sight.

In essence, the Locarno agreements may be described not inaccurately as an attempt to apply the principles of the Geneva Protocol to a restricted area—the borderland separating Germany from France and Belgium. The negotiations that preceded the conclusion of the Locarno treaties were, however, not easy. At first French opinion evinced a skepticism which did not disappear until after M. Briand had been in office for some weeks. While France welcomed the proposed British guarantee of her Rhineland frontier, she also sought similar protection for the Polish and Czech frontiers as fixed by the Versailles settlement. Unwilling to accept her southern and eastern frontiers as final, though disclaiming any intention of upsetting them by force, Germany refused to be bound by any such guarantee. On her part, Britain, although she had a direct interest in stabilizing the Franco-Belgo-German frontier, was not disposed to undertake any hard and fast commitment in eastern Europe. In part at least, this conflict of interest was ingeniously resolved by indirection: Germany agreed to make a general arbitration treaty with Poland and Czechoslovakia, respectively, while France concluded mutual assistance pacts with her two allies against unprovoked aggression by Germany.

But there was another difficulty. Perhaps with his dream of a permanent European federation already in mind, M. Briand insisted that as a part of the Locarno understanding Germany should enter the League without reservations. The close relations of the Reich with the Soviet Union complicated this question. Germany feared that once in the League she might sometime be called upon, not only to allow League troops to cross Germany for action against the Soviets, but to contribute to such action herself. Impressed by the anti-Soviet complexion of the Baldwin-Chamberlain cabinet, Moscow also had misgivings over the seemingly "western orientation" of German policy, which, it was feared, might result in Soviet isolation from Europe. After protracted *pourparlers* between the various chancelleries, Germany agreed to accept an interpretation of her obligations under Article 16 of the Covenant in the sense that she would be bound to join in collective League action only insofar as her "disarmed" condition and geographical position allowed. It was further understood that immediately upon her admission to the League Germany should be given a permanent seat on the Council.²⁵

²⁵ C. J. Friedrich, in his *Foreign Policy in the Making* (New York, 1938), chap. 7, gives an illuminating interpretation of the negotiations leading to Locarno, especially from the angle of the German desire to replace French military "hegemony" in Europe with a genuine "balance of power." For the part played by the British in the earlier stages of the negotiation,

Months of patient negotiations came to a happy conclusion in October 1925. At the charming Swiss lake resort of Locarno, representatives of the interested governments, all meeting for the first time since the War as equals, initialled a series of treaties embodying the various agreements. Church bells tolled the joyous tidings as Briand, Stresemann, and Chamberlain gave eloquent expression to their conviction that the Pact of Locarno would open a new and happier epoch in the life of postwar Europe. Later, in December, the Locarno agreements were formally signed at London.

In addition to the arbitration arrangements between Germany on the one side, and Poland and Czechoslovakia on the other, and the Franco-Polish and Franco-Czech mutual assistance treaties already referred to, the Locarno agreements included arbitration conventions (1) between Germany and France and (2) between Germany and Belgium. The capstone of the whole structure, however, was the treaty of mutual guarantee of the Franco-Belgo-German frontier by Germany, France, Belgium, Great Britain, and Italy. By the terms of this treaty, Great Britain and Italy agreed to come to the military assistance of France and Belgium in case their eastern frontier was subject to unprovoked aggression by Germany, while, vice versa, Germany would be entitled to similar assistance in the event of aggression from her western neighbors.²⁶ The guarantee clause also covered violations of the demilitarized Rhineland zone as laid down by the Treaty of Versailles. Except in cases of "flagrant violation," the League Council was to decide whether and by whom the Rhineland engagements had been broken. If, however, the attacked state should feel that immediate action must be taken, the guarantee obligation was to bind each power (Britain and Italy) as soon as it was satisfied that the attack constituted an unprovoked act of aggression. If and when the Council arrived at a unanimous decision (minus the parties), subsequent operations must be carried on in conformity with the Council's recommendations. It was the mutual character of the Locarno guarantee that differentiated it sharply from the earlier security pacts designed to protect France alone. Now Germany was to have equal protection against what she had so often called French "military imperialism."

In the spirit of the rejected Geneva Protocol, the Locarno Pact bound Germany and her two western neighbors not to attack or resort to war against each other except (1) in legitimate self-defense, (2) in the event

consult Viscount E. V. D'Abernon, *The Diary of an Ambassador* (3 vols., New York, 1929-31). Herr Stresemann has disclosed his own motivation in his published memoirs. For the English translation see Eric Sutton (ed.), *Gustav Stresemann: His Diaries, Letters and Papers* (2 vols., New York, 1935-37).

²⁶ In order to avoid the difficulty of securing Dominion adherence to the British guarantee, all the Dominions and India were specifically exempted from obligations under the Locarno Pact unless they signified their acceptance of such obligations.

of a "flagrant breach" of the demilitarized zone agreement, or (3) in pursuance of League action against a state charged with aggression. All disputes not arising out of events prior to Locarno were to be submitted either to an arbitral tribunal or to the Permanent Court. "Peace for Germany and for France," declared M. Briand later; "that means that we have done with the long series of terrible and sanguinary conflicts which has stained the pages of history. . . . True, differences between us still exist, but henceforth it will be for the judge to declare the law. . . . Away with rifles, machine guns, cannon! Clear the way for conciliation, arbitration, peace!" Speaking in a more prosaic vein, Sir Austen Chamberlain hailed Locarno "as the real dividing-line between the years of war and the years of peace."

Temporarily at least, Sir Austen's prediction seemed likely to be borne out. Despite stubborn opposition from nationalist and communist quarters, Herr Stresemann, by adroit and shrewd maneuvering, swung a majority of the German people around to the Locarno treaties and German entry into the League. This was no mean achievement, for by Locarno Germany was voluntarily surrendering all claim to Alsace-Lorraine, along with the right to fortify the Rhineland. As an offset to this concession, however, Stresemann could point to the fact (1) that it would still be possible to seek a *peaceable* readjustment of Germany's eastern frontiers, and (2) that as a member of the League Council the Reich would be in a much more favorable position to checkmate French dominance at Geneva.

In general, as Gathorne-Hardy has observed, "the sense of improved security which the British guarantee implanted in the minds of Frenchmen and Germans had an importance far outweighing that of the question whether, on occasion rising, it would prove possible for Great Britain to fulfil her obligations. A democracy can hardly resort to war without the support of national opinion, and while it is comparatively easy to enlist this on the side of a known ally, the existence of two alternative allies or opponents complicates the situation. . . . So long, however, as British intervention was feared by the potential aggressors on both sides, it seemed unlikely that the reality of the Pact would be put to the test."²⁷ Nor was the full significance of the British refusal to guarantee the frontiers of eastern Europe adequately understood until some years later. In 1925 few observers noted that the Locarno Pact carried the implication that the general obligations of League members to the Covenant were not likely to be backed up by force unless they were supplemented by *special engagements of a military character*. Such doubts had no place in the era of good feeling then about to open.

²⁷ *Op. cit.*, p. 66.

XXIV

THE ILLUSION OF PEACE WITHOUT SECURITY

"Peace is proclaimed. That is well; that is much; but it still remains necessary to organize it."—ARISTIDE BRIAND on the occasion of the signing of the Pact of Paris.

FRANCO-GERMAN RAPPROCHEMENT, 1925-29

From Locarno until the onslaught of the world economic depression, the forces making for peace in the world were, to use Sir Arthur Salter's words, "definitely in the ascendant." Yet even this hopeful period was marked at the outset by a year of petty maneuvering which delayed German entry into the League of Nations. A special meeting of the Council and Assembly had been convened for March 1926 in order to expedite the formalities of admission. The Assembly had scarcely got under way when three other states—Poland, Spain, and Brazil—advanced their claims for permanent Council seats. Poland, especially, felt that her importance as a European power entitled her to a place alongside Germany—all the more in that she feared that the Reich might bring up the question of Treaty revision in the Council. But the Polish claim ran counter to Germany's understanding that the latter alone was to be added to the Council's permanent membership. In support of the German position was the fact that the provision (in the Covenant) for an eventual increase in the number of permanent Council members was obviously intended to apply to the two Great Powers still absent, that is, to Germany and Russia. But when Sir Austen Chamberlain, despite British popular sympathy for Germany's contention, espoused the Spanish claim, France lined up behind her Polish ally. At the same time, Briand "gladly consented to have Spain and Brazil added to the list of candidates, because, so it was alleged, he figured that it would be easier to get three candidates admitted. Also, one might be dropped, if necessary."¹ Since the votes of Spain and Brazil, then *nonper-*

¹ Friedrich, *op. cit.*, p. 180.

manent members of the Council, were needed in order to provide the required unanimous vote for the election of Germany, they refused to vote for Germany unless their own claims were granted. A deadlock ensued. Both Council and Assembly adjourned without taking action on the admission of Germany.

During the following summer a special Council committee worked out a compromise which increased the number of nonpermanent members and permitted some of them to be reelected on a "semipermanent" basis, as indicated in an earlier chapter.² Poland thereupon withdrew her claim to a permanent seat and Germany accepted the new plan. Rather than yield on the issue, Brazil and Spain withdrew from the League, although the latter state subsequently reconsidered its decision and returned to Geneva in 1928. At the Assembly meeting in September 1926, Germany was at last admitted in an atmosphere of great enthusiasm. Few who witnessed the historic occasion could help being impressed by the obvious sincerity of the three "architects of Locarno" when they pledged themselves to work together "as good Europeans" for the consolidation of peace. Nonetheless, behind this façade of noble utterances, there lurked the suspicion, in Germany at any rate, that the League might not always be depended upon, to play fair with German interests. The whole unpleasant episode helped to strengthen the anti-League forces across the Rhine. So long, however, as comparative prosperity prevailed in Germany and the Briand spirit of reconciliation guided French policy, Stresemann was able to hold in check these forces, partly Junker, partly Nazi, which were determined to undermine his policy of "fulfillment."

The achievement of Locarno and the admission of Germany brought the League to the peak of its strength. Each Council and Assembly meeting now served to bring the foreign ministers of the four major European powers together regularly for face-to-face discussion of Europe's problems. In spite of marked differences in temperament and background, Briand, the nimble-minded Breton, and Stresemann, the hard-headed German, developed a confidence in each other that enabled them to speak frankly and honestly about the issues still dividing their two nations—reparations, disarmament, the return of the Saar, and the evacuation of the Rhineland. During the 1926 Assembly session, the two statesmen held a long private conversation around the luncheon table in the village of Thoiry, not far from Geneva. Here, according to the joint communiqué issued afterward, a "provisional agreement" on all matters of pressing concern to France and Germany was reached. Just what this agreement contained has never been revealed, but it may be assumed, from Stresemann's account of the meeting, that he "begged for the immediate evacuation of the Rhineland and the

² See pp. 497-502, *supra*.

return of the Saar to Germany, offering in return concessions in the form of reparation payments, and that Briand was personally disposed to close with this offer."³

Even though neither man was able to induce his government to accept such an arrangement at the time, Franco-German good feeling continued without abatement. In January 1927, France consented to the withdrawal of the Inter-Allied Military Commission from Germany. The following year, during the League Assembly, Germany and her creditors agreed that a committee of financial experts should be appointed to work out "a complete and definite settlement of the reparation problem." If this were realized, France declared that she would be willing to effect the Rhineland evacuation without delay. The upshot of this agreement was the Young Plan, the details of which we have examined in another connection.⁴ Within six weeks after the new plan went into effect in May 1930, the last contingent of Allied troops marched out of Germany—five years earlier than the time fixed by the Treaty of Versailles.

As further evidence of the improved relations existing between the two countries, 200,000 French war veterans journeyed to Germany to fraternize with their former enemies, while national associations of school teachers on both sides of the Rhine inaugurated a joint campaign to rid history textbooks of hatred and militaristic bias. An unofficial committee of German and French business, professional, and intellectual leaders was created to explore ways and means of furthering Franco-German rapprochement through nongovernment channels. Although still far from ready to disarm down to the German level, France had, by 1927, reduced her conscript effectives by 50 per cent as compared to 1913.

Meanwhile, along the Geneva front proper, a conspicuous success in applying the League techniques of pacific settlement had been scored. Coincident with the Locarno Conference of 1925, a troublesome border dispute, so frequent in Balkan relations, brought Greece and Bulgaria to the verge of war. Shots fired by frontier guards caused the death of a Greek sentry on Bulgarian territory. Refusing a Bulgarian proposal that a mixed commission be established to fix responsibility, Greece dispatched a military contingent across the Bulgarian border, a considerable number of Bulgarians being killed or wounded. At this juncture the Bulgarian government appealed to the League Council under Articles 10 and 11 of the Covenant. By a fortunate coincidence, M. Briand happened to be President of the Council. Acting in this capacity, he immediately telegraphed an appeal to the two governments to cease further military action and to withdraw their troops behind their respective boundaries. Within three days

³ Carr, *op. cit.*, p. 124.

⁴ See pp. 365-366, *supra*.

the Council met, some of the members flying to Geneva in order to save time. The request to the disputant governments was repeated with a time limit, and French, British, and Italian officers stationed within easy reach of the Greco-Bulgarian frontier were asked to report on the progress of troop withdrawals. The Greek government complied with the Council's request just two and a half hours before an offensive was ordered to begin. The Council then appointed a diplomatic commission to conduct a full inquiry on the spot. In accordance with the recommendations of this commission, the Council found Greece to blame and ordered it to pay reparations to Bulgaria for the moral and material damages the latter had suffered. The Council further recommended that neutral officers be attached to the two frontier patrols and that the two countries liquidate conflicting private property claims arising out of the voluntary exchange of populations back in 1919. Greece agreed to pay the amount of compensation fixed by the Council and the other arrangements were satisfactorily put into effect by subsequent agreement.

The successful settlement of this incident showed what the League machinery of conciliation could do when it was manned by vigorous leadership—at any rate in situations not directly involving Great Power interests. To be sure, the Council had relied wholly on its moral authority and no question of forcible pressure arose. Nevertheless, there were many who honestly believed that, with Franco-German relations definitely on the mend, the Geneva system, based on conference and persuasion, might bring general European appeasement and with it the gradual readjustment of the unfair provisions of the Versailles settlement. France was now making substantial concessions and, given German good faith, seemed to be in a mood to make still others.

THE PACT OF PARIS AND THE PROGRESS OF PACIFIC SETTLEMENT

The range of Aristide Briand's "peace" horizon was not limited to Europe. In April 1927, on the occasion of the tenth anniversary of American entry into the World War, the French Foreign Minister gave to the Associated Press a statement in which he proposed that France and the United States should solemnly renounce war as an instrument of policy between the two nations. In making this proposal, it appears that Briand was inspired by an idea suggested to him by an American private citizen—Professor James T. Shotwell. For some years in the United States (especially the Middle West), a popular movement to "outlaw war" had been making steady headway. Sponsored by Mr. S. O. Levinson, a Chicago lawyer, Sena-

tor Borah, and others who had opposed the League Covenant, this movement conceived of war as something "more than crime. It was a sin." Therefore, the nations of the world should renounce war and undertake to equip "an international court of justice with a code of the laws of peace, based upon equality and justice between all nations." Once established, this court should be given jurisdiction over "all purely international disputes" and every state should "agree to abide by and in all good faith to carry out the decisions of such international tribunal."⁵

At the time when the Geneva Protocol was under discussion, an American group, including Mr. Shotwell, David Hunter Miller, and General Bliss (one of the American delegates to the Peace Conference), had formulated a plan for the outlawry of aggressive war based upon the same general idea, but with this significant addition: if a state was adjudged an aggressor, its "commercial, trade, financial, and property interests . . . shall cease to be entitled . . . to any privileges, protection, rights or immunities accorded by either international law, national law or treaty." (The purpose of the Shotwell proposal was to find a formula which might bring the United States into a limited but official relationship with the Geneva system.) Even though American opinion might not be prepared to accept rigid sanctions obligations, it was felt that on the question of banning war the United States might be persuaded to commit itself to a position even more unqualified than that taken by League members under the Covenant.

For the moment the defeat of the Protocol prevented further progress along these lines. But with "the Locarno Spirit" permeating European international relations, the time seemed propitious for a new *démarche*. Thus Professor Shotwell's hint to M. Briand. Only three weeks later a letter from President Nicholas Murray Butler to *The New York Times* challenged the American government to accept the French proposal in good faith. In Paris further unofficial approaches were made to M. Briand. On 20 June 1927 he handed to the American ambassador a draft treaty embodying the renunciation of war principle. For some months thereafter the State Department maintained an attitude of mysterious silence. In the meantime, the American peace movement had found something definite on which it could unite. All groups, pro-League and anti-League alike, proceeded to mobilize popular support in a campaign to give the Briand principle the widest possible application. On 21 November, Senator Capper introduced a joint resolution in Congress asking the President to enter into

⁵ The quoted passages are from a "Draft Treaty to Outlaw War," drawn up by Mr. Levinson and reproduced in Zimmern, *op. cit.*, p. 385. In his *War as an Instrument of National Policy*, Professor Shotwell relates in detail the progress of the outlawry movement and the steps leading to the Briand-Kellogg Pact. See also C. C. Morrison, *The Outlawry of War* (Chicago, 1927).

negotiations with "other like-minded nations" to this end.⁶ Early in December Senator Borah, then an ardent advocate of broadening out the Briand idea, reintroduced an "outlawry" resolution which he had originally sponsored in 1922.

Faced with an aroused public opinion, official Washington was forced to act. On 27 December, Secretary of State Kellogg formally sent to the Quai d'Orsay a counterproposal which suggested that France and America seek general adherence to a declaration "renouncing war as an instrument of national policy." After some hesitancy, the French government agreed to collaborate in sounding out other governments. There followed several months of complicated negotiations involving all the leading powers. The upshot was that on 27 August 1928 the text of the Pact of Paris was signed at the Quai d'Orsay by accredited representatives of fifteen states. Every other independent state in the world was invited to adhere to the Pact and eventually all but four Latin American countries (and Yemen) did so. Ratified by sixty-five states, the Pact of Paris became by 1933 the most nearly universal political agreement in history.

One of the briefest treaties on record, the Pact consists of a Preamble and two short articles. By Article I:

The High Contracting Parties solemnly declare in the name of their respective peoples that they condemn recourse to war for the solution of international controversies, and renounce it as an instrument of national policy in their relations with one another.

By Article II they agree

. . . that the settlement or solution of all disputes or conflicts of whatever nature or of whatever origin they may be which shall arise among them, shall never be sought except by pacific means.⁷

In the Preamble, it is declared that the benefits conferred by the Pact shall be denied "to any signatory Power which shall hereafter seek to promote its national interests by resort to war."

(At the time of its adoption the Pact of Paris was heralded as a declaration of revolutionary importance. For the first time in history virtually all the states of the world, including every Great Power, had officially and solemnly gone on record against the use of war to further their national interests. An upsurge of mass idealism had forced the governments to affix their seals to a sweeping pledge of good behavior which, if it had been

⁶ In the light of subsequent efforts to implement the Briand-Kellogg Pact, it is worth noting here that the Capper Resolution would have incorporated into the proposed antiwar treaty what was essentially the Geneva Protocol definition of aggression.

⁷ Except for their multilateral application, the text of the above articles is identical with M. Briand's original draft.

suggested fifteen years earlier, would have provoked only cynical and raucous laughter from every foreign office. But now the peoples of the world might take hope: peace had at last been universally proclaimed! For on the face of it this Pact fathered by M. Briand and Secretary Kellogg contained no reservations. Nor could the states subscribing to the agreement renounce it individually at will. There was no provision, as in the Covenant, for withdrawal after notice. ✓

Unfortunately, upon closer analysis, the practical import of the Briand-Kellogg Pact appeared much less impressive. First of all, it did not define war; that is to say, it made no distinction between *aggressive* and *defensive* action. There was no test, juridical or otherwise, by which aggression in its various forms short of *declared* war, might be identified. The diplomatic correspondence that preceded the signing of the Pact clearly indicated that wars of self-defense would still be permissible and that each party would be judge of what constituted self-defense. Great Britain stipulated that in her case the right of self-defense included "certain regions of the world the welfare and integrity of which constitute a special and vital interest for our peace and safety." This reservation presumably applied to the region around the Suez Canal and the approaches to India. The United States put on record a similar explanation with reference to the region covered by the *Monroe Doctrine*. In turn, France reserved the right to act under such previous treaty obligations as Locarno and her mutual assistance pacts with Poland and Czechoslovakia.

In the second place, the Pact of Paris failed to elaborate what was meant by "pacific means" of settlement. Nor, for that matter, did the signatory states accept any *positive* obligation to settle their controversies by pacific means. They agreed merely to *seek* a peaceful settlement—which was a negative and less ironclad way of restricting national behavior.

But the most serious shortcoming of the Pact was that it projected no method or machinery for guaranteeing the enforcement of the antiwar principle. The only hint of any kind of sanction against a war-maker appeared in the Preamble clause, previously cited, which released all the other signatories from their obligations and presumably allowed them to use force against any violator of the Pact, if and as they wished. At best this could be only an unorganized and uncertain sanction. So far as the Pact itself was concerned, no arrangements for joint consultation by the signatory states, in case of the threat of war, were provided for. The riddle of security remained unsolved! ✕

Even if we make full allowance for the foregoing lacunae, the fact remains that for a time the Pact of Paris gave a pronounced impetus to the campaign to expand and strengthen the world's peace structure. At the least, the Pact was a magnificent gesture toward a new ethical evaluation

of war; at the most, it might have supplied the key to effective American (and Soviet) cooperation with the League system.

Although the Soviet Union hesitated at first to commit itself, it soon became an enthusiastic supporter of the Pact—so much so that it negotiated a series of special “nonaggression” treaties with its neighbors in order to make the Pact effective along its borders without waiting for general ratification. As for America, it is clear that many of the leaders in the movement to outlaw war looked forward to some complementation of the Kellogg Pact by the United States.⁸ At Geneva, where preparatory work for the Disarmament Conference was in progress, the Ninth Assembly (1928) adopted a General Act for the Pacific Settlement of International Disputes which was definitely designed to implement the Briand-Kellogg Pact. In three separate chapters this Act provided (1) for a procedure of conciliation for all disputes, (2) for a procedure of judicial settlement or arbitration for disputes of a legal nature, and (3) for the application of the arbitral principle to disputes for which the machinery of the Permanent Court was not appropriate. With a view to reaching countries out on the fringe of the League system, it was decided that accession to the General Act of 1928 might be either complete or partial, and signatories might, if they desired, exempt domestic questions or other limited categories of disputes from its provisions.⁹

For a year or so following the adoption of the Pact of Paris, a marked increase in the number and scope of *bilateral* treaties of conciliation and arbitration also took place. The League itself, again at the 1928 Assembly, took steps to encourage this development by drafting model treaties, based upon the Locarno precedent, which pairs or groups of states might follow.¹⁰ By the beginning of 1930, some 130 new bilateral conciliation and arbitration conventions were registered with the Secrétariat at Geneva.¹¹ By and large, these treaties were so constructed as to cover all cases not settled by direct diplomacy except for domestic questions, disputes involving prior

⁸ No less an “isolationist” than Senator Borah, in an interview quoted in *The New York Times* (25 March 1928) and reproduced in Shotwell, *op. cit.*, p. 224, had expressed the opinion that one “important result of such a treaty would be to enlist the support of the United States in coöperative action against any nation which is guilty of a flagrant violation of this outlawry agreement. . . . At present we have a network of treaties and understandings relative to peace—arbitration treaties, conciliation treaties, The Hague Tribunal, World Court, peace machinery of the League and peace machinery of Locarno. The effect of the Kellogg proposal is a solemn pledge to let all this peace machinery work.” But as often the case in his public career, Mr. Borah reverted to an obstructionist position when concrete steps to implement the Pact came later before the Senate.

⁹ By the end of 1936 twenty-three states had acceded to the General Act, among them being Britain, France, and Italy. With two exceptions these accessions were to the Act as a whole. There were no subsequent accessions.

¹⁰ During the entire postwar period, nearly 250 bilateral conciliation and arbitration treaties have been negotiated.

facts, and definitely specified subject matter, such as territorial status or third party interests. In the case of the League model treaties, any question as to their meaning, or that of any reservation made by the signatory parties, was to be referred to the Permanent Court for decision. During the period 1928-30, the United States negotiated twenty-one new treaties of conciliation and arbitration with non-American states. These agreements were directly inspired by the Briand-Kellogg Pact and represented a distinct advance over the prewar type which, it will be recalled, usually excluded such broad and indefinable matters as "national honor" and "vital interests."

In the American world, moreover, a series of important *multilateral* "peace" treaties had come into effect during the first postwar decade. The first of these was the Gondra Inter-American Conciliation Treaty of 1923. This agreement, signed at Santiago, Chile, and subsequently ratified by eighteen American countries, provided for *ad hoc* commissions of inquiry to which all disputes not settled by diplomacy or arbitration should be submitted. Within a year any such commission must submit a report, during which period and for six months thereafter the disputant parties were bound not to mobilize or commit any hostile acts. Also, in 1923, a Central-American Commission of Inquiry Treaty, of somewhat narrower scope, was negotiated. Six years later, in 1929, the Santiago Conciliation Convention was supplemented by a new agreement to create permanent diplomatic committees at Washington and Montevideo for the exercise of conciliatory functions (1) until an *ad hoc* inquiry body could be created and (2) during the six months' period following its report. More important still was the conclusion of a General Inter-American Arbitration Treaty that same year. By this convention the signatories bound themselves to submit to arbitration all legal disputes, as defined by the "optional clause" of the Permanent Court Statute. If no agreement on an *ad hoc* arbitral tribunal could be reached, the Hague Convention of 1907 was to apply. Each party, however, could control the *compromis*—a provision inserted largely to head off possible opposition from the United States Senate.¹¹

An important by-product of this rapidly growing network of treaties of pacific settlement was an expansion of the compulsory jurisdiction of the World Court. Soon after the conclusion of the Pact of Paris, all the major League Powers except Japan formally ratified the "optional clause" either for all or certain categories of legal disputes, though in some cases the period of acceptance was limited to a fixed number of years and hedged about with other conditions. By the early 1930's forty states were bound by the optional clause—an action equivalent to the ratification of

¹¹ See M. O. Hudson, "The Inter-American Treaties of Pacific Settlement," *Foreign Affairs*, October 1936.

sixteen hundred *bilateral* treaties of compulsory arbitration.¹² In addition, over five hundred other international treaties and conventions conferred jurisdiction upon the Court for various purposes. Included in this impressive total were the minorities treaties, the mandatory agreements, the statute of the I.L.O., numerous League conventions relative to communications and transit, the abolition of slavery, customs formalities, and the European bilateral arbitration treaties previously referred to.¹³

As the Locarno period drew to a close, there was one further development at Geneva which, although it proved abortive, requires our attention. This was the attempt to bring the League Covenant into harmony with the Pact of Paris. In 1929 the British delegation submitted to the League Assembly a series of amendments with this object in view. "The process proved, however, far less simple than it looked. The Pact of Paris was a moral declaration, based on a general sense of the sinfulness of war. The Covenant was a political treaty based, in its essential provisions, on what the statesmen of 1919 deemed practicable and expedient. The Pact condemned all wars, but punished none. The Covenant allowed some wars, and prohibited others; but prohibited wars it punished. To fuse together instruments so different in spirit, and to make a neat job of the fusion, was a superhuman task." Nevertheless, the British government, once again Laborite in complexion, proposed that the sanctions of Article 16 should be broadened to include all wars—a change which, if adopted, would have obligated the League to punish any and all violators of the Peace Pact, at least among its own numbers. The French, of course, were quick to second the British proposal. If a vote could have been reached at the 1929 session, the proposed amendments might have been adopted. But discussion was postponed. By the following year optimism waned and objections were raised by certain members, particularly by Japan and the Scandinavian countries. Again it was decided to defer action until the 1931 Assembly. By that time Europe and the world were caught in the jaws of the economic crisis and the amendments were talked to death.)

It is unlikely that in any event the major League Powers would have ratified these changes in the Covenant without definite assurance from the United States that it would refrain from any action calculated to defeat collective sanctions against violators of the Pact of Paris. Although early in 1929 Senator Capper had introduced a resolution in the American Senate

¹² Subsequently, the number of states adhering to the optional clause was reduced by the failure of Italy and Germany to renew their engagements.

¹³ Of the twenty-seven judgments and twenty-seven advisory opinions handed down by the Court from 1922 to 1938, a preponderant majority concerned controversies arising out of treaties conferring specific jurisdiction upon the Court. For a convenient summary of these cases, see Hudson, *The World Court 1921-1938*, pp. 82-234.

¹⁴ Carr, *op. cit.*, p. 120.

authorizing the President to impose an arms embargo against such violators, the Chief Executive made no effort to secure public support even for this limited program to implement the antiwar Pact. Once again, after having sponsored a peace plan of far-reaching potentialities, America failed to "follow through." As will be tragically apparent later on, every attempt by the United States government to invoke the Pact in specific instances has come to naught. Instead of war being effectively "outlawed," the decade following the conclusion of the Pact brought a succession of "undeclared" wars in complete disregard of its provisions. To their dismay, well-meaning pacifists, American and otherwise, were to discover that in the hard world of power politics peace is not to be had merely by pious "incantation"!

Indeed, one cannot help observing that the imposing array of "peace" agreements concluded during the 1920's was enveloped in a certain atmosphere of artificiality. Despite the proliferation of pledges to use procedures of pacific settlement, the number of cases actually dealt with by such procedures did not proportionately increase. Alternative methods for adjusting international controversies by amicable means were amply available on paper and many, indeed, had been tested by experience. But their actual application to clashes of vital national interest depended entirely upon the willingness of powerful states to act in good faith and to abide by their prior pledges. Inside the League system, to be sure, the Council acquired considerable success in handling most of the political disputes referred to Geneva. By 1927 it had evolved a definite formula of procedural steps to be taken under Articles 11 and 15, to wit: the convening of the Council with the utmost speed; telegraphic appeals to the disputant parties to refrain from hostile acts; hearing the parties' case in the Council; establishment of a frontier control commission; conducting an investigation *sur place* if necessary; securing an advisory opinion from the Permanent Court, if need be; calling the Assembly into special session if advisable; and the drafting of a resolution or report with recommendations. Each of these procedures had been tried with good results in various situations. Down to the eclipse of the League in 1938, some sixty-three political disputes were considered by the Council. Of this total, thirty-six cases occurred prior to 1930. Most of them were settled satisfactorily. Yet two significant facts stand out even in this decade of comparative calm and good will: (1) no controversy involving two or more rival Great Powers came before the League and (2) in those cases where the contestants were markedly unequal in strength or prestige (e.g., Vilna, Corfu, Mosul), a tendency to favor the stronger over the weaker on grounds of expediency could be discerned. In other words, the Council functioned not as a judicial body but as a political agency. In the remaining twenty-seven disputes considered since 1930, the record is much more spotty. Not only has no case of

aggression by a major power been halted by League action, but some of the most explosive situations have not even reached the League agenda—for reasons that will be obvious later.

This is but another way of recording the fact that with the world in economic and financial chaos and with totalitarian imperialism emerging, the state of international relations rapidly deteriorated after 1930. In this new setting the League's authority was soon undermined, not so much because of inadequacies in machinery or method as because the chief Powers within the League were unable (or shall we say unwilling?) to cooperate for a solution of the twin riddles of "peaceful change" and disarmament. It had become evident that these two problems were but phases of the larger problem of "collective security." So long as the military strength of France on the European continent remained sufficiently impressive to make a major war impossible, peace held, even though it was "a peace through domination." At the same time, "we must equally remember that the root of French policy was not really an arrogance born of conscious strength, but a sense of insecurity born of the knowledge that her strength was precarious."¹⁵ As the precariousness of French power increased with the revival of aggressive nationalism in Germany, French statesmen showed a steadily stronger reluctance to consent to further revision of the territorial *status quo* on the one hand, or to equality of status for Germany in respect to armaments on the other. In the end, France did agree to further concessions—indeed, to far-reaching ones; but they were made either too late or too grudgingly to earn the gratitude of a Germany racked with economic suffering and already seduced by the insidious demagoguery of Hitlerism. Here lies the prologue to the international tragedy of the last ten years.

THE BRIAND PROJECT FOR EUROPEAN UNION

Before we consider the first direct challenge to the peace structure as embodied in the Covenant and the Pact of Paris, it is necessary, in order to complete the transitional picture, to refer briefly to two abortive projects for closer regional union in Europe. The first and more ambitious of these two developments was M. Briand's plan for a "United States of Europe." The other was a proposal for an Austro-German customs union. By 1929 the time seemed propitious to the French Foreign Minister to launch an idea that he had apparently long been turning over in his mind. Together with other French liberal leaders, notably MM. Herriot and Paul-Boncour, M. Briand believed that within any world-wide scheme of international

¹⁵ Salter, *op. cit.*, p. 116.

organization, closely knit regional unions were a necessary adjunct to peace—nowhere, obviously, more than in Europe itself.¹⁶ Since the early days of the League, moreover, an unofficial "Pan-European" movement had been waging a propaganda campaign, from its headquarters in Vienna, under the idealistic direction of its founder, Count Coudenhove-Kalergi.¹⁷ At a luncheon meeting held during the 1929 Assembly, M. Briand asked authority to sound out the other European governments on a scheme of his own. This proposal was accepted in principle, even if without marked enthusiasm. Accordingly, the following May, just as the last French troops were about to leave the Rhineland, the Quai d'Orsay circulated a memorandum to the twenty-seven European states in the League and invited their comments.¹⁸ Twenty-six replies were received, ranging from fulsome approval by Poland, Belgium, and the Little Entente, to qualified acceptance by the "revisionist" states (Germany, Italy, Hungary, and Bulgaria), and by Great Britain, Ireland, and the former neutrals. The revisionists stressed "equality" as a precedent condition to any closer European union, while the latter group emphasized disarmament.

When the project came up for debate at the 1930 Assembly, these divergences of view sharpened. France held that political security and economic coöperation were indispensable if the other problems, including disarmament and treaty revision, were to be attacked in a spirit of European solidarity. Consequently, argued M. Briand, there should be set up within the framework of the League a supplementary machinery (a European conference and auxiliary secretariat) for the furtherance of intra-European collaboration. This collaboration should range over a broad front, including such matters as the rationalization of production, the freeing of trade, communications and transit, finance, labor regulation, public health measures, intellectual activity, interparliamentary relations, and public administration. As regards representation in the all-European conference, the Briand proposal clearly implied the retention of "sovereignty," since all states were to possess equal voting power and the right not to be bound without their consent. The only provision made for an executive authority was that there should be a European Committee composed of "a certain number of Members of the European Conference." In short, the plan appears to have contemplated a loose association or *entente* of European states, operating in and around the world-wide Geneva system.¹⁹ To call this a

¹⁶ A full exposé of these views, as well as of the Briand program, is contained in Edouard Herriot's *The United States of Europe* (New York, 1930). See also C. F. Heerfordt, *A New Europe* (London, 1926) and Sir Arthur Salter, *The United States of Europe* (London, 1933).

¹⁷ See his *Pan-Europe* (New York, 1926).

¹⁸ The official text of the Briand Memorandum, in English translation, is reproduced in *International Conciliation* (Special Bulletin, Carnegie Endowment series, June 1930).

¹⁹ M. Briand's own memorandum used the phrase "regional entente within the terms of Article 21 of the Covenant."

proposal for real *federal* union would be to misconstrue the whole scheme, however ambitious the vision of its sponsor might be.

Even so, the project was doomed to slow but sure death. The 1930 Assembly established a special "Commission of Inquiry for European Union," with Briand as chairman, to study the problem in conjunction with the League Secretariat. During 1931 this Commission met three times, but failed to make any appreciable progress on the focal question of union. Meanwhile, the coöperative spirit of the Locarno period was rapidly vanishing. In October 1929, Stresemann had died prematurely and a year later over a hundred National Socialists were elected to the German Reichstag. Sir Austen Chamberlain had meanwhile fallen from power and Briand, the last of the Locarno trio, "remained alone, little more than the ghost of his former self." In his own country the forces of conservatism which brought Tardieu and Laval to the fore held him prisoner in the Quai d'Orsay until his resignation in the autumn of 1931. By the following March the hand of death removed the great "European pacificator" and with him all hope of a "United States of Europe" in his day.

Even had Briand lived and exerted a decisive influence over French foreign policy for some years longer, it is extremely improbable that his project could have been realized. First, the suspicion was widely held that in promoting the Briand plan France was mainly actuated by a desire to consolidate her hegemony in Europe. While such a suspicion hardly did justice to M. Briand's deeper purposes, it had an unhappy effect upon the debates at Geneva. In certain quarters there was also the fear that the creation of a regional organization for Europe might weaken the existing League. Furthermore, it was recognized that many of the economic and social problems toward which the Briand project pointed transcended the confines of any single continent and were already within the purview of the League and the International Labor Organization. Next was the thorny question of whether the Soviet Union, then still outside the League, could or should be included in a regional organization composed of capitalist states. Finally, there was the fact that the British Commonwealth "extends over all the continents, and Britain will not emphasize her European position more than she has already done at the expense of her connection with the Dominions."²⁰

Before it became completely moribund, the Commission of Inquiry for European Union organized a number of subcommittees to study the problem of European grain surpluses and preferential duties for other farm products. It managed to draw up a draft convention for an International Agricultural Mortgage Credit Company. The Commission also organized two wheat conferences at Rome and considered the problem of unemploy-

²⁰ Webster, *op. cit.*, p. 77.

ment in coöperation with the I.L.O. The Soviet Union was invited to participate in the Commission's work and M. Litvinoff took the opportunity to propose a pact of "economic nonaggression" which, however, received little more than polite attention. With the storms of economic adversity blowing harder all the while, the League found it impossible even to secure a tariff truce, let alone any stronger measure of international economic coöperation. From year to year the Assembly kept the Commission on European Union alive merely as a matter of form, but after 1932 it remained dormant. /

THE AUSTRO-GERMAN CUSTOMS UNION PROPOSAL

Early in 1931, while discussion of the Briand project was still under way at Geneva, the Austrian Chancellor, Dr. Schober, approached the German Foreign Minister, Dr. Curtius, with the proposition that Austria and Germany should enter into a customs union. Negotiations to this end were carried on secretly and on 21 March Europe was startled by the announcement that the two countries had signed a treaty for the establishment of an economic union, to which neighboring countries were to be asked to join. The fact that regional economic agreements had already won the favor of supporters of European union in the League Assembly provided the Austrian and German Foreign Minister with ammunition for their plan. But the surreptitious way in which it had been conceived immediately aroused a storm of opposition from France and the Little Entente. The maneuver was viewed as an attempt not only to sabotage the Briand project, but also to achieve *Anschluss* by an indirect route. With *Anschluss* a reality, it was widely believed that German domination of the entire Danubian region would inevitably follow. This France determined to prevent at all costs. Legally, *Anschluss* was forbidden by the Treaty of Saint-Germain (except with the unanimous consent of the League Council). The Protocol for Austrian financial reconstruction, negotiated in 1922, had likewise bound Austria to take no step calculated to compromise her independence. /

At the request of France the League Council, meeting in May 1931, voted unanimously to ask the Permanent Court for an advisory opinion on the legality of the Austro-German agreement. Although the British government foresaw that certain economic advantages would flow from such a union, it could not ignore the grave political repercussions that might ensue in central Europe; hence its acquiescence in the decision to refer the matter to the Court. Meanwhile, disturbed by the possibility that the Court's opinion might be favorable to the proposal, France proceeded to exert finan-

cial pressure upon Vienna in an effort to force the abandonment of the scheme. By a fortunate coincidence, the spectacular failure of the *Credit-Anstalt* placed a trump card in the hands of the Paris bankers which they did not hesitate to use. The result was that early in September Germany and Austria announced their decision to scrap the project.²¹

Two days later this announcement was followed by the Court's decision. By the narrow vote of eight to seven the judges found the proposed customs union incompatible with the loan protocol of 1922. On the majority side were the French, Italian, Polish, and Rumanian judges, while among the dissenters were the British, American, German, and Chinese judges. This alignment lent considerable credence to the charge made by Germany and Austria that the decision had been motivated by political considerations. A number of international lawyers in America compared the verdict to that rendered years earlier by the United States Supreme Court in the famous Dred Scott case. Whatever view be taken of the customs union opinion, it scarcely added to the Court's reputation as an independent judicial tribunal. In defense of the Court majority, however, it could be said that judges the world over frequently have to take political factors into account in interpreting doubtful points of law; and the fact remained that previous customs unions between a large and a small state had usually been a prelude to the political absorption of the latter by the former.

Although from strictly an economic standpoint an Austro-German customs union could not have been expected to bring any substantial measure of immediate relief to central Europe, the political consequences of its collapse were most unfortunate in Germany. "Dr. Curtius, the last representative of the policy and principles of Stresemann, retired in disgrace. Dr. Brüning, the Chancellor, took over the portfolio of foreign affairs; and the Nazis redoubled their propaganda against the Versailles Treaty."²² The financial hurricane spread northward from Vienna and engulfed the German credit structure. In June came the Hoover moratorium on inter-governmental debt payments—too late, however, to halt the forces of economic disruption. By September Great Britain had left the gold standard and unemployment mounted menacingly throughout industrialized

²¹ In passing, it should be noted that the French were not unaware of the urgency of the Danubian economic situation. In February 1932 Premier Tardieu advanced a plan for economic coöperation between Austria, Hungary, and the Little Entente by means of preferential tariff arrangements. In general, Britain approved the Tardieu proposal, but Germany "seeing in it another buttress of the French hegemony of the Continent, opposed it, and Italy, with ideas of her own respecting Austria and Hungary, was at best lukewarm and inclined to make reservations." A Great Power conference was held in London to consider the plan, but produced only a negative result. It later developed that neither Austria nor Hungary really favored the Tardieu proposal. See Robert Machray, *The Struggle for the Danube and the Little Entente 1929-1938* (London, 1938), pp. 88-93.

²² Carr, *op. cit.*, p. 139.

Europe and America, the German total soon reaching 6,000,000 workers. Then, without warning, thunder from the Far East struck the world peace structure a major blow.) Flouting her League and treaty commitments, Japan shrewdly took advantage of Western economic paralysis to invade Manchuria—an event which may be said in retrospect to have ushered in the present phase of imperialistic power politics.) Not without reason has Professor Arnold Toynbee, in his magistral *Survey of International Affairs*, called 1931 an *annus terribilis*—a year in which “men and women all over the world were seriously contemplating and frankly discussing the possibility that the Western system of Society might break down and cease to work.”²³

Before attempting to analyze the causes and consequences of the Manchurian aggression, it seems appropriate to appraise briefly two other developments that took place in the Western Hemisphere during these transitional years. Characteristically enough, considering the contradictory forces at work, one of these developments gave cause for hope that European and American efforts to organize a peace system might eventually be integrated; while the other induced further skepticism as to any such possibility. In the one instance, the League tried out its techniques of pacific settlement in Latin America; in the other, the United States decided after prolonged debate not to join the World Court.

LEAGUE INTERVENTION IN LATIN AMERICA: CHACO AND LETICIA

Near the close of the year 1928 hostilities broke out between Bolivia and Paraguay, the bone of contention being the Gran Chaco, an area as large as Italy and containing valuable oil reserves.²⁴ For over fifty years the two countries had carried on futile negotiations in an effort to agree upon a definitive boundary line. Finally they resorted to force. Initial attempts to settle the conflict through a Pan-American Conciliation Commission and another Committee of American Neutrals at Washington ended in failure. Although neither of the contestants formally appealed to the League at the outset, the Council took cognizance of the affair under Article 4 of the Covenant and requested the parties to seek a pacific settlement. After four years of ineffective conciliatory action taken independently of Geneva, the Council attempted in 1932 to coördinate the various peace efforts and began the study of a proposal for an embargo on war materials.

²³ See the *Survey* for 1931 (London, 1932), pp. 1-59 especially.

²⁴ For a detailed account of the Chaco affair, see R. S. Kain, “The Chaco Dispute and the League System,” *Political Science Quarterly*, September 1935, and M. O. Hudson, *The Chaco Arms Embargo* (International Conciliation, No. 320, Carnegie Endowment for International Peace, New York, May 1936).

In May 1933 it appointed a Committee of Inquiry which, after some months of delay because of the request of Bolivia and Paraguay that four Latin-American states be "mandated" to settle the dispute, arrived in South America. An armistice was arranged and a draft treaty providing for a peaceful adjustment of the dispute was handed to the parties. With "suicidal obstinacy" both contestants rejected this treaty. The League Committee reported back to the Council, naming no aggressor but recommending that an arms embargo be imposed on both countries. For this, the cooperation of the United States was sought and obtained. But further delay ensued on account of difficulties in securing special legislation, especially at Washington. Accordingly, it was not until November 1934 that the embargo, participated in by nearly all League members and the United States, actually went into effect—the first instance in history of an international action of this kind.

During the interval, Bolivia had asked reference of the dispute to the League Assembly under Article 15. Just as the arms embargo got under way, the latter body adopted a report which called for the establishment of a neutral zone and a diplomatic conference to settle the contentious issues. Although Bolivia accepted this report, Paraguay rejected it. As a result, the Assembly asked that the arms embargo be lifted from Bolivia and Paraguay withdrew from the League. The American Congress, moreover, refused to comply with the Assembly's request until much later, when Congress lifted the embargo from both belligerents simultaneously, so far as the United States was concerned. Unfortunately, the effectiveness of the embargo left much to be desired because Chile and Peru failed to prevent arms shipments through their respective territories. The fighting continued until mediation by the United States and four South American neutrals finally brought about an armistice in June 1935. Following the demobilization of troops, direct negotiations between the two parties began in Montevideo, assisted by a conference of representatives of the United States, Argentina, Brazil, Chile, Peru, and Uruguay. In February 1936 this conference succeeded in securing the ratification of a peace pact, although the territorial question remained unsettled. Three long years of difficult negotiations were necessary before agreement on the terms of a general settlement could be reached. This agreement provided that the delimitation of the frontier should be fixed by the arbitration of the presidents of the six nations represented in the Montevideo discussions. On 10 October 1938 an arbitral award assigned to Paraguay virtually the entire Chaco zone.

While this successful application of the arbitral principle was hailed as a "victory" for the Inter-American "peace system," it was a victory that came only after seven years of bitter strife which reduced both Bolivia and

Paraguay to a state of virtual bankruptcy and cost 100,000 lives. Failure to settle the Chaco affair by pacific means at an early stage could in large measure be attributed to faulty collaboration between the League and the Pan-American peace negotiations. The duplication of agencies, at times working as rivals, at times at cross-purposes, gave rise to repeated delays and allowed the disputant nations to maneuver for shifts of jurisdiction when it suited their advantage. Meanwhile, this provoked a psychology hostile to reasonable peace proposals. Although the United States at no time directly opposed League action, it did little to facilitate an effective coördination between Geneva and the various American attempts to settle the conflict.

If League intervention brought no immediate results in the Chaco affair, its mediation in the Leticia dispute between Peru and Colombia must be recorded as a real success.²⁵ This was another boundary case involving the upper Amazon basin, where accurate cartographic knowledge is still incomplete. Late in 1932, an armed Peruvian force seized the small Colombian settlement of Leticia and the adjacent territory. After attempting in vain to drive out the Peruvians with a "punitive expedition," Colombia appealed to the Council under Article 15.²⁶ The latter issued a report asking that Peru withdraw. At first the Peruvian government demurred, but shortly thereafter changed its mind. A League Commission was sent to administer the disputed territory pending its return to Colombia. In June 1934 Peru and Colombia signed a Protocol of Peace, Friendship, and Co-operation, and normal relations were restored. Here, at least, was a concrete triumph for the Geneva system outside the European region.

AMERICA REJECTS THE PERMANENT COURT

Perhaps to a greater degree, even, than the League itself, the Permanent Court of International Justice was inspired by American thought. The names of Taft and Root, to mention only two, were long associated with the movement to establish an effective tribunal for the adjudication of international controversies.²⁷ Every president and secretary of state since

²⁵ See M. O. Hudson, *The Verdict of the League: Colombia and Peru at Leticia* (Boston, World Peace Foundation, 1933).

²⁶ The Leticia affair, incidentally, is the only Latin-American controversy over which the League has ever exercised sole jurisdiction.

²⁷ "The controversies which our Supreme Court now decides are such as in Europe cause general mobilizations and marching armies. In the so-called Chicago Drainage Canal case, the plaintiff state, Wisconsin, and the states associated with it in interest aggregated a population of thirty-nine millions, while on the other side were arrayed Illinois and the states of the Mississippi Valley with an aggregate population of twenty-two millions. The issue was believed on both sides to have vital economic implications. Yet it was argued, determined, and the

Wilson's day has favored American entry into the Permanent Court. Yet the United States has declined to join a world tribunal that has functioned successfully since 1922. How has this paradoxical state of affairs come about?

In its essential aspects, the story of America's rejection of the Court is strikingly analogous to the story of the rejection of the Covenant. Factional politics, ineffective national leadership, a vicious propaganda of misrepresentation, the peculiar constitutional prerogatives of the Senate—these, by and large, tell the tale. Following the defeat of the Covenant, several years elapsed before the Senate acted on the Court issue. The Court proposal had unfortunately suffered from the bitter repercussions of the League fight. Gradually, however, public opinion began to assert itself in behalf of American entry. With comparatively few exceptions, peace and civic groups over the country demanded adoption of the Court Protocol. In March 1925, the national House of Representatives passed a resolution calling for American entry by the overwhelming vote of 302 to 28. Finally, in January 1926, the Senate took action and by a large majority (76 to 16) accepted the Protocol with five reservations, as follows:

(1) that the United States would have no legal relation to the League of Nations nor assume any obligation under the Treaty of Versailles;

(2) that the United States, however, should be permitted to participate equally with other Court members in the election of judges in both Council and Assembly;

(3) that the United States would pay a fair share of the expenses of the Court, as fixed by Congress;

(4) that the United States might at any time withdraw from the Court and that no amendment to the Statute should be made without its consent; and

(5) that the Court should not render any advisory opinion except publicly after due notice, or without the consent of the United States "entertain any request for an advisory opinion touching any dispute or question in which the United States has or claims an interest."

So sweeping were these reservations that a special conference of representatives of Court members was convened at Geneva the following September to consider them. There proved to be no difficulty whatever with the first four reservations and the first part of the fifth, and they were at once accepted. (Parenthetically, it seems obvious that under the circumstances

judgment accepted, without any emotional outburst due to wounded pride or loss of prestige. In like manner the judgments of the World Court will come to have authority in great matters. This precedent of our own Supreme Court in adjudicating controversies among forty-eight sovereign states makes the idea of a world court peculiarly congenial to our mode of thought."—NEWTON D. BAKER, "The New Spirit and Its Critics," *Foreign Affairs*, October 1933.

they were superfluous.) But the reservation relative to advisory opinions required special consideration. For, as it was pointed out in Europe, "the United States, by the mere assertion of a quite unfounded claim of interest, would have been in a position to exercise their veto in questions on which the League and the parties directly concerned ardently desired an opinion."²⁸ All of which raised the further question as to whether requests for advisory opinions must secure a unanimous vote in the Council. Hoping to adjust the difficulty, the League Council, in December 1928, invited a committee of jurists to prepare suitable changes in the Protocol so as to facilitate American adherence. With the informal approval of the American government, Elihu Root, although then of advanced age, journeyed all the way to Geneva to serve on this committee. Largely at his suggestion, the jurists ingeniously decided that in case no agreement could be reached as to what constituted a dispute or question in which the United States had or claimed an interest, its objection being given the same force and effect as the vote of any member of the Council or Assembly, the United States might withdraw from the Protocol "without any imputation of unfriendliness or of unwillingness to cooperate generally for peace and good will." On this basis Secretary Stimson signed the revised Protocol for American entry in December 1929. Within a short time, the agreement was ratified by forty-one states belonging to the Court.

Then followed a period of five long years during which the matter lay dormant at Washington. Beset by vexatious problems arising out of the economic depression, President Hoover did not resubmit the issue to the Senate. It was not until January 1935 that his successor, Mr. Roosevelt, sent the Root proposal to the Capitol with a mildly worded recommendation for adoption. The Administration apparently counted on an easy victory in the Senate, but it underestimated the strategy of the opposition. Led by two arch demagogues, Senator Huey Long and Father Coughlin, the anti-Court forces subjected the Senate to a veritable bombardment of inspired letters, telegrams, and petitions. The radio was employed with equal effectiveness against the Court proposal. Superpatriotic societies shouted that the safety of the Republic would be menaced if America went into a Court "dominated by scheming Europeans." The pro-Court camp, which undoubtedly represented a majority of the country, failed to organize an effective counterpropaganda. Moreover, it was handicapped by the lack of an appealing slogan, such as "the outlawry of war," which had aided so materially in the Kellogg Pact campaign. The opposition shrewdly turned to its advantage the popular resentment over Europe's failure to pay the war debts. "This is a *European* Court—let's keep out of it!" Another argument widely used was that by joining the Court the United States

²⁸ Gathorne-Hardy, *op. cit.*, p. 193.

would be going into the League "by the back door." "The Court advocates, claiming that the issue was the Court and not the League, naturally made no effort to answer the attacks upon the League. The peace forces had got into a false position through having attempted to substitute the Court for the League in their program—a position which proved to be strategically unsound, for it enabled the opposition to concentrate upon a totally undefended part of the pro-Court position."²⁹

The high-pressure barrage was too much for certain United States Senators on the pro-Court side. Enough of them shifted ground to prevent ratification. Even with the advisory opinion reservation reinserted, the Court proposal could muster only fifty-two votes against thirty-six. Just as fifteen years earlier, in the historic battle over the League, *seven* votes were lacking for the required two-thirds majority!³⁰ After 1935 the Court was a dead issue in American politics. Along with the League and the Kellogg Pact, it became another trophy in the American gallery of frustrated hopes for a peacefully organized world—a gallery paved, like a certain other place, with good intentions only half carried through.

²⁹ Shotwell, *op. cit.*, p. 171.

³⁰ An effective satire on postwar American foreign policy could appropriately be written under the title: "Those Seven Votes!"

XXV

ENTER AGGRESSION—EXIT DISARMAMENT

THE MANCHURIAN AGGRESSION

The remote antecedents of the Sino-Japanese controversy of 1931-33 cannot be explored here.¹ Fundamentally, the clash was the result of a growing friction between Japanese and Chinese nationalisms. In 1905 Japan had acquired from Russia certain special interests in Manchuria, among which were the lease of the Liaotung Peninsula, the South Manchurian Railway, and the adjacent territorial zone. For several years prior to 1931 these rights and interests were believed by Japan to be threatened by the northward advance of the Chinese nationalist movement. Partly because Manchuria was strategically important and also valuable as a source of certain raw materials needed by Japan, partly because the latter feared that effective control over North China by the Kuomintang central government would jeopardize her rich trade and investments on the Asiatic mainland, the Japanese government appears to have been searching for a pretext to bring all Manchuria under its wing lest the rich provinces be lost irretrievably. In particular the Japanese resented the partially achieved construction by the Chinese of a parallel railway through Manchuria intended to divert traffic from the Japanese-controlled South Manchurian line. As viewed from Tokyo, this action violated Japan's treaty rights. A further economic factor of no small importance was the boycott of Japanese goods which the Chinese masses were conducting as a reprisal against various Japanese military interventions in China during the 1920's. With the value of Japanese foreign trade cut almost in half by the world depression, this boycott reacted adversely upon Japan's economic situation. Finally, the penetration

¹ For detailed background the reader is referred to the standard surveys of Far Eastern politics, especially H. M. Vinacke, *A History of the Far East in Modern Times* (2nd rev. ed., New York, 1936); H. F. MacNair, *The Real Conflict between China and Japan* (Chicago, 1938); and H. S. Quigley and G. H. Blakeslee, *The Far East: An International Survey* (Boston, 1938). *The Lytton Commission of Inquiry* (Ser. L. of N. Pubs. Political, 1932, VII, 12), chaps. I-III, admirably summarizes the background factors. See also six brochures on the League and Manchuria in the *Geneva Special Studies* (Geneva Research Centre), Vol. II, Nos. 10-12; Vol. III, Nos. 5, 10; and Vol. V, No. 3.

of Communism into Central China was disturbing Sino-Japanese relations because it appeared to threaten the future of Japanese economic interests in Asia.

Not long before the incident which precipitated hostilities the military high command had wrested control of the Tokyo government from a relatively moderate civilian leadership.² In order to understand the course of Japanese policy, this important fact must also be kept in mind. ✓

As might be supposed, there are two conflicting versions of the incident in question. According to the Japanese, a detachment of Chinese troops, during the night of 18 September 1931, tried to blow up the tracks of the South Manchurian Railway a few miles north of Mukden. A Japanese patrol rushed to the scene and was fired upon by the Chinese. In order to protect the railway and other Japanese property interests from banditry and disorder, it was allegedly necessary to seize the city of Mukden itself, then garrisoned by ten thousand Chinese troops. Military operations spread quickly and within four days all Chinese towns within a two-hundred-mile radius north of Mukden were in the hands of the Japanese army. By November all northern Manchuria had been occupied.

According to the Chinese version, "the Japanese attack on the barracks [at Mukden] was entirely unprovoked and came as a complete surprise."³ In support of this contention, the Chinese called attention to two significant facts: (1) that the southbound train from Changchun passed over the tracks purported to have been bombed and reached Mukden promptly; and (2) that if the Mukden garrison had planned the outrage, it would certainly have been in a state of readiness and able to offer stiff resistance to the Japanese attackers. While the full facts remain obscure, the Lytton Commission, after analyzing all the available evidence on the spot, came to the following conclusion: "The military operations of the Japanese troops cannot be regarded as measures of legitimate self-defense. In saying this, the Commission does not exclude the hypothesis that the officers on the spot may have thought they were acting in self-defense."⁴ Nor was it possible to justify the general military occupation of Manchuria on any such ground.

The Chinese government lost no time in appealing its case to the Council of the League under Article 11 of the Covenant. Already in session at the time, the Council promptly sought assurances from the Japanese representative that Japan "had no territorial designs on Manchuria and that she would withdraw her troops within the South Manchurian Railway zone.

² Under the peculiar Constitution of Japan, it is singularly easy for a clique of army and navy officers to overthrow a cabinet at any time. The military have constant access to the person of the Emperor.

³ Lytton Report, p. 69.

⁴ *Ibid.*, p. 71.

subject to the sole condition that the safety of the lives and property of Japanese nationals were assured."⁵ By proceeding in this cautious manner, the Council hoped to bring about an immediate cessation of hostilities before going into the substance of the dispute itself. These were the tactics that had worked with signal success in the Greco-Bulgarian affair of 1925. Facing for the first time (since Corfu) the duty of "imposing restraint upon a Great Power in a truculent mood," the Council hesitated even to discuss the possibility of sanctions, at any rate for the time being.

By a resolution adopted unanimously on 30 September, the Japanese delegate concurring, the Council, after noting Japan's promise to withdraw its troops as rapidly as possible, requested both parties to restore normal relations and to inform the Council at frequent intervals of subsequent developments; whereupon the Council adjourned to meet again on 14 October.

In the meantime, the American government had voiced its concern to the Japanese ambassador in Washington, since the Kellogg Pact and Nine Power Treaty, to which the United States and Japan were both parties, were obviously applicable to the situation. On 9 October Secretary Stimson informed Geneva that the United States would endeavor to assist League action by diplomatic steps, to be taken, however, on independent American initiative. But the Japanese military campaign continued without check. When the Council reconvened, it was decided, on M. Briand's suggestion, to invite the United States to send a representative to the Council table in order to facilitate the fullest possible coöperation between the League and the American government. (Although Japan objected to this procedure on constitutional grounds, her protest was overruled.) Issuance of the invitation was held to be a matter not requiring unanimity. Washington accepted the invitation and, for the first and only time in the League's history (as it turned out), an American (the late Mr. Prentiss Gilbert) participated officially in a Council meeting for the consideration of a major political question.⁶ On 20 October the United States formally invoked the Pact of Paris in identical notes dispatched to Japan and China. Four days later the Council passed a second resolution calling upon the Japanese to begin at once the withdrawal of their troops and to complete the evacuation by the next meeting of the Council on 16 November. Now, however, the Japanese member voted in the negative, and since the Council was acting under the unanimity rule of Article 11, the action had no legal effect.

⁵ M. O. Hudson, *The Verdict of the League* (Boston, World Peace Foundation, 1933), p. 22. League action is analyzed in detail by W. W. Willoughby, *The Sino-Japanese Controversy and the League of Nations* (Baltimore, 1935).

⁶ Mr. Gilbert was instructed, however, only to take part in discussions relative to the Kellogg Pact; otherwise he was to act merely as an "observer."

On the Manchurian front military operations had been extended. Japan insisted upon direct negotiations with China as a prelude to withdrawal, but refused to state its terms in advance. By this time those in power at Tokyo had apparently convinced themselves that the longer they could delay League action, the less likely anything beyond mere words would emerge from Geneva—or Washington either. Consequently, on 21 November, Japan proposed that a League commission of inquiry be dispatched to the Far East. On 10 December the Council, meeting in Paris, unanimously voted to send such a commission. Although it had earlier declined to participate in a commission of military attachés to be sent to Manchuria for observation, the United States now gave its approval and consented to have an American citizen sit on the League Commission. After some delay, costly under the circumstances, the Commission was organized with Lord Lytton, an ex-Viceroy of India, as chairman, and a French and an Italian diplomat, a former German colonial administrator, and an American general as the other members. The Commission proceeded by way of America to the Far East, not reaching Japan, however, until the end of February—five long months after the outbreak of hostilities. The next six months were spent in collecting firsthand evidence in Japan, Manchuria, and China, with the result that the Report of the Commission was not received at Geneva until September 1932—a full year after the beginning of the dispute.

During the intervening period, events moved rapidly in both the military and the diplomatic sectors. Late in December 1931, Japan launched an offensive against Chinchow and occupied it early in January. Advancing southward, the Japanese armies soon reached the Great Wall of China and Chinese authority in south Manchuria completely disappeared. As the military campaign spread, the Chinese population, with the connivance of their government, intensified the boycott against Japanese goods and anti-Japanese riots broke out in various Chinese cities. In Manchuria the Japanese set up a puppet government under the Presidency of the ex-Emperor of China, Pu Yi—a pliable figurehead in the hands of the Nipponese military leaders. A few months later, in September, this government was officially recognized by Tokyo as the “independent” Republic of Manchukuo. Evidence assembled by the Lytton Commission completely refutes the Japanese claim that Manchukuo was “called into existence by a genuine and spontaneous independence movement.”⁷

While the Japanese were in the act of rounding out their conquest of Manchuria, the American government made an important diplomatic move of its own. On 7 January 1932, in identical notes to Japan and China, Secretary of State Stimson announced that the United States would not recognize any “situation, treaty, or agreement which may be brought about by means

⁷ See the Report, p. 97.

contrary to the covenants and obligations of the Pact of Paris."⁸ Thus originated the famous Stimson doctrine of "nonrecognition"—a doctrine shortly to be woven by the League into its moral condemnation of Japanese aggression. Replying to Stimson, Tokyo contended that the Chinese inhabitants of Manchuria were "not destitute of the power for self-determination." The Manchukuoan "declaration of independence" was Japan's real answer. —Coincident with these developments the Japanese struck southward at Shanghai. Following an attack by Chinese rioters upon five Japanese monks in January 1932, the port of Shanghai was subjected to an aerial bombardment and Japanese troops were landed for the alleged purpose of safeguarding Japanese nationals and property interests and stamping out the disastrous Chinese boycott. Stiff resistance from the Chinese Nineteenth Route Army inflicted severe losses upon an invading force of 70,000 men and it was not until May that the Japanese succeeded in pushing the Chinese back far enough to make possible an armistice.

Immediately following the attack on Shanghai the Chinese government invoked Articles 10 and 15 of the League Covenant. It had grown weary of the confusion and inaction which had accompanied the slow-moving conciliatory action under Article 11. As soon as the new Chinese appeal reached Geneva, the Secretary-General ordered an investigation by a committee of consular representatives at Shanghai, acting under League authorization.⁹ On 16 February twelve Council members (not including Japan and China) sent an urgent appeal to Tokyo calling attention to the fact that according to Article 10 "no infringement of the territorial integrity and no change in the political independence of any member of the League brought about in disregard of that Article could be recognized as valid and effectual." Three days later China requested that the entire controversy be referred to the Assembly, hoping thereby to secure stronger support from the small states for a vigorous League policy.

The Assembly met on 3 March and adopted a resolution urging Japan and China, with the coöperation of the military, naval, and civilian authorities in Shanghai, to stop hostilities. After two months of negotiation, an armistice was signed, the permanent occupation of Shanghai not being one of Japan's immediate objectives, and Japanese troops were withdrawn. Back in Geneva representatives of the small states mobilized so much moral

⁸ Whether by intention or inadvertence, the State Department failed to send a copy of these notes to the League of Nations. To what extent Washington consulted London in advance has not fully come to light, but it is clear that the British government gave only a grudging and reluctant endorsement to the Stimson policy, apparently because it wanted to avoid any step that might possibly lead to hostilities with Japan.

⁹ The United States refused to allow the American consul to serve officially on this investigatory body, although he was permitted to "collaborate" with it—another indication of the American "blow hot, blow cold" policy of coöperation with the League!

pressure upon the hesitant Great Powers that the Assembly unanimously adopted a resolution (Japan and China abstaining) by which "nonrecognition" was declared incumbent upon all Members of the League. A Committee of Nineteen was set up to follow the course of the dispute, endeavor to settle it in agreement with the parties, and, if need be, to prepare the draft of a report as provided under Article 15 of the Covenant.¹⁰

By now the League appeared to have taken the Briand-Kellogg Pact under its protection. But without vigorous and sustained Anglo-American coöperation in a policy of forcible action against Japan, all that the League could do was to wait helplessly for the report of the Lytton Commission. During the interval the ill-fated Disarmament Conference had got off to an inauspicious start and reparations were liquidated at Lausanne. Europe had too many pressing problems at home to be much concerned with the upheaval on the other side of the globe. In July a special session of the Assembly met and extended the six months' time limit for a report called for by Article 15.

(From the League standpoint, the final stage of the Manchurian drama began in September with the consideration of the Lytton Report.) Heralded as one of the most statesmanlike international documents of modern times, this report dealt with almost every aspect of Sino-Japanese relations. While clearly rejecting the Japanese thesis of "legitimate self-defense," it admitted that Japan had certain real grievances against China—disorder in Manchuria, the boycott, the spread of Communism, etc. A restoration of the *status quo ante*, therefore, would be no solution, even if this were possible. A satisfactory settlement must be compatible with the interests of both parties, together with those of the Soviet Union. At the same time it must conform to the principles of the Covenant, the Peace Pact, and the Nine Power Treaty. With this object in view, the Commission recommended concretely:

(1) that new treaties between China and Japan should restate their respective rights, interests, and responsibilities in Manchuria;

(2) that the government of Manchuria should be modified so as to allow as large a measure of autonomy as possible, and that to aid in this task a number of foreign advisers should be attached to the autonomous régime, one of whom, in particular, should have control over a constabulary for the preservation of civil order, and another of whom should supervise finance;

(3) that Japan and China should conclude a new treaty regulating commercial relations; and

¹⁰ This Committee was made up of the President of the Assembly as chairman, the members of the Council (not counting Japan and China), plus six other League members elected by secret ballot of the Assembly.

(4) that following the "demilitarization" of Manchuria, the two countries should pledge themselves, by a treaty of nonaggression, not to encroach upon its territory, and should settle all future controversies by resort to conciliation and arbitration.

In conclusion, the report declared that "the final requisite for a satisfactory solution is temporary international coöperation in the internal reconstruction of China, as suggested by the late Dr. Sun Yat-sen." Simply stated, the theme of the report was that "China and Japan should coöperate; it is better to coöperate than to fight."¹¹)

Unfortunately, by September 1932 it was too late for the sensible suggestions of the Lytton Commission to have any chance of acceptance by the military clique in power at Tokyo. (The die had been cast and no face-saving formula satisfactory to the Oriental mind could be found—despite the patient efforts of the League Council and the Assembly Committee of Nineteen.) Throughout the autumn of 1932 Geneva nourished the illusion that Japan might still be induced to negotiate with China in accordance with the Lytton Commission's suggestions; but to no avail. All hope of bringing the controversy to a peaceful conclusion was dashed to pieces when Japan, early in January 1933, launched an attack upon Shan-haikwan, gateway to the Great Wall of China, and then proceeded to occupy the Province of Jehol and annex it to Manchukuo.) Came May and the invading forces were threatening Peiping. By the terms of a truce signed at Tangku on the last day of that month, the Nanking government was required to demilitarize an area of five thousand square miles on the Chinese side of the Great Wall. The Japanese victory was so complete that Nanking could only bow in submission.

Meanwhile, Geneva made its final gesture of futility. On 24 February the Assembly adopted a formal resolution appealing to the disputant parties to adjust their differences by direct negotiation along the lines of the Lytton Report. By this resolution, also, an Advisory Committee was set up to follow the situation and report any proposals it might see fit to make. No sanction save "nonrecognition," however, was suggested by this action. As soon as the result of the Assembly's vote was announced, the Japanese delegation dramatically quit the hall and Japan gave notice a month later of her intention of withdrawing from the League. The United States and the Soviet Union were invited to coöperate with the League's Advisory Committee, the former accepting and the latter refusing. This Committee, however, did nothing but explore the possibly adverse effects upon Manchukuo that might ensue from excluding it from the benefits of the Postal

¹¹ Quoted from an address by Professor George H. Blakeslee before the Foreign Policy Association in New York, on 5 November 1932. Dr. Blakeslee was a technical adviser to the Lytton Commission.

Union and from commercial and consular relations. For a brief period during the Committee's preliminary deliberations, Great Britain suddenly and inexplicably imposed an embargo on the shipment of arms to both belligerents; but it was just as quickly lifted when no other power followed suit.

The League had failed and the collective security system received a tremendous shock from which it never fully recovered. Equally, by refusing to put teeth into the Peace Pact, the United States and Great Britain had failed to secure its observance and to protect the territorial integrity of China as required by the Nine Power Treaty. What were the reasons for the capitulation? Many, indeed, may be advanced. Some of them are in the nature of excuses or extenuating circumstances; others relate to the delinquencies of Anglo-American statesmanship and the weakness of the world's peace machinery as it existed in 1931.

Let us look first at the mitigating factors. From the Japanese point of view, there is no doubt that the challenge to America and the League was shrewdly timed. The Western countries were struggling with the most severe economic and financial depression of modern times—not a favorable situation in which to incur the risk of further economic dislocation by severing trade relations with Japan. While in the long run this would probably have checked such a vulnerable country as Japan, the brunt of it would have had to be borne chiefly by the United States and the British Empire. An embargo on the purchase of Japanese silk, for example, would have struck a body blow at the American silk industry, while stoppage of the sale of American cotton to Japan would have inflicted upon the South, already hard hit by the depression, still further distress. Danger to large British investments in the Far East helped to strengthen antisancionist opinion in England, particularly in the Tory and financial circles whose influence controlled the Cabinet. There was the further belief, widely held in Britain and America, that if economic pressure were applied, Japan would retaliate by naval action and war would result, or, at the least, a long-range Anglo-American naval blockade would be necessary—all of which might seriously jeopardize the future interests of the Western Powers in the Orient. In addition, the time-distance factor complicated and delayed League action. Here was a controversy half way around the world from Europe, involving Orient versus Occident, whereas all of Geneva's previous experience had been with European and South American situations. Time was of the essence and Japan extracted a maximum advantage from the repeated procrastinations of Geneva and Washington.

Furthermore, the view was held in various quarters that Japan had a case against the Western Powers. However much the method she was employing in Manchuria might be condemned on moral or humanitarian

grounds, there were precedents for such behavior in nineteenth-century Western imperialism. Japan needed stable markets and access to raw materials in order to compete against Western protectionist policies which she believed were intended to stifle Japanese industrial exports. It was possible, therefore, to interpret the Manchurian undertaking, not as an "aggressive war," but as a justifiable intervention in order to safeguard vital economic interests. The fact that China was torn by disorder added force to this argument.

Nevertheless, when judged by the professed international standards of the postwar era, the Japanese action can only be condemned as aggression upon the sovereign territory of a weaker state. Japan deliberately flouted her treaty engagements, refused to use any of the tried and tested techniques of pacific settlement, and resorted to force. As the two chief suppliers of essential raw materials to Japan, the British Empire and the United States, by a sustained program of economic sanctions, could almost certainly have compelled Tokyo to pursue a different course—though months or possibly a year or more might have been required to do the job. There were moments when it seemed that such collaboration might indeed materialize, but timid leadership and confusion of counsel combined to defeat each hopeful move. The British Foreign Office was directed by Sir John Simon, a cautious, hard-bitten barrister who had never evidenced any great interest in collective security. With some British Conservatives, also, there lingered a nostalgic desire to revive the Anglo-Japanese alliance (ended in 1922), and this made it difficult for them to appreciate the justice of the Chinese case. (Moreover, if Japan became occupied with Manchuria, the Yangtze Valley, where British interests mainly lay, might very well remain outside the Japanese sphere of influence for some time to come. So ran the argument in London.)

(Nor was the American State Department entirely of one purpose regarding the controversy. If Secretary Stimson and certain of his advisers were sincerely pro-Chinese, there were others who tended to favor the Japanese viewpoint. What is more, a close analysis of the sequence of American diplomacy throughout the Manchurian affair reveals vacillation in the Secretary's own mind.) At best, his collaboration with Geneva can be described only as fumbling and uncertain, especially during the crucial earlier stages of the controversy. At the outset he refrained from supporting the League and did not even invoke the Kellogg Pact until a month after the outbreak of hostilities. When American participation in the Council was decided upon, the State Department designated, not an experienced diplomat of *ambassadorial* rank, but a *consul* (however able) to represent the United States of America. At the Council table Mr. Gilbert said practically nothing—indeed, he could say but little in view of his cautious instructions.

At the next meeting of the Council in Paris, Ambassador Dawes was told to use his own discretion about sitting in on the discussions.¹² Actually, Mr. Dawes remained in his hotel on the other side of the Seine from the Quai d'Orsay, receiving various League officials and diplomatic personages informally, but revealing all the while an abysmal ignorance of League procedure.¹³

(The question of whether and how far the American and British governments were ready to support each other against Japan has been a matter of much recrimination in the two countries.) During recent years the American press has been wont to claim that "Britain let the United States down" and that America was left "to pull the British chestnuts out of the fire." In Britain the contrary impression has gained wide currency. While all the "inside" facts are not yet available, there is no evidence that either government ever proposed to the other any concrete program of forcible pressure against Japan. Mr. Stimson himself has admitted that he was in no position to offer economic sanctions. We quote his own words:

Members of the League were reported to have inquired from Mr. Dawes what our attitude would be in case they should proceed on that line. They were anxious to obtain commitments from us before they even discussed such action themselves. On our part we manifestly could give no such commitment. Our Congress was not in session and there was no statutory authority under which the Executive could impose economic sanctions. Furthermore, it was quite unlikely that any such authority would be granted by the Congress. In the public discussions in America a decade before as to joining the League much opposition had been manifested against the provisions for either military or economic sanctions expressed in the League Covenant. In the treaties to which it had afterwards become a party, viz., the Pact of Paris and the Nine Power Treaty, the American government had confined itself to a reliance upon the sanctions of public opinion alone. Under such circumstances manifestly we could not commit ourselves to the imposition of sanctions. On the other hand, if the League of Nations desired to proceed under Articles XV and XVI of the Covenant and themselves to impose such sanctions, we were anxious not to discourage them or to put any obstacles or dangers in their path.¹⁴

¹² H. L. Stimson, *The Far Eastern Crisis* (New York, 1936), p. 75. On general American policy, see A. W. Griswold, *The Far Eastern Policy of the United States* (New York, 1938).

¹³ It appears that just as the Council was about to adjourn, Dawes suddenly sent a message to M. Briand, the President, to the effect that he had brought the Japanese and Chinese representatives into agreement; whereupon the Council made hasty preparations to receive the American Ambassador. Then, just as suddenly, the latter telephoned that he was not coming! His "solution" had turned out to be little more than a promise from the Japanese and Chinese representatives to submit a proposal to their governments for consideration. It is not hard to imagine the impression produced upon the members of the Council by this amateurish maneuver.

¹⁴ Stimson, *op. cit.*, pp. 76-77. Reprinted by permission of Harper & Brothers, publishers.

Something less equivocal than this was expected from the United States before the League powers would venture upon the uncharted sea of collective sanctions. At the same time, there is little reason to suppose that Great Britain would have responded affirmatively even if America had made a definite proposal. It was a perfect setting for "passing the buck" and that is apparently what happened more than once during Stimson's long-distance negotiations with Sir John Simon. Señor de Madiaraga, then the Spanish representative on the Council, has summarized the Anglo-American *pour-parlers* in picturesque but scarcely exaggerated terms: "Secretary Stimson now said that he would go as far as the League, now that he did not contemplate sanctions, now that he hoped for the best, and now that he would wait and see. All this was very illuminating, particularly when rendered in the style of Mr. Norman Davis [President Hoover's roving Ambassador to Europe], but it left Sir John Simon wondering; and when Sir John Simon wonders, the world may expect great words but not prompt deeds."¹⁵

When all is said and done, it was this game of "fits and starts" that rendered futile any attempt to apply Article 16. Once the other League states (including France) realized that Great Britain would not go beyond "nonrecognition," if, indeed, she really wanted to go even as far as that, they resigned themselves to this ineffectual gesture. Here was a concrete test and the two Great Powers primarily concerned, although they had vital interests at stake, were not prepared to resist aggression with their combined force, economic or otherwise. This is the principal lesson to be drawn from the Manchurian affair.

But the fiasco also vividly revealed the difficulties of working a world-wide peace system with two such important powers as the United States and the Soviet Union only *partially* committed to its support. There were too many pacts, too many pledges, but not enough integration of action. This militated against any genuine, sustained coördination of policy. Without such coördination, sanctions were plainly inapplicable to a determined industrial power. It became apparent, moreover, that the *conciliatory* procedures of Article 11 of the Covenant, although they had been successfully applied in less important disputes, were singularly ill-adapted to a situation in which the aggressor could use his veto power to prevent, delay, or water down unanimous agreement by the Council.

If Japan could pursue a policy of imperialistic aggrandizement with impunity, why could not Mussolini's Italy, or Hitler's Germany, do likewise? After the League's failure in Manchuria, neither of the European dictators believed that Britain and France would really fight for "collec-

¹⁵ In *The World's Design* (London, 1938), p. 157.

tive security."¹⁶ A supreme challenge to their will to protect the European postwar *status quo* against the menace of totalitarian aggression was soon to face the Western democracies.

In the triple shadow of the Manchuria disaster, a militant European fascism, and the world economic catastrophe, the Geneva Disarmament Conference began its deliberations in February 1932. A less auspicious setting for a lasting agreement on arms limitation could scarcely be imagined.

THE BACKGROUND OF THE WORLD DISARMAMENT CONFERENCE

In order to understand the status of the arms problem at the time the Geneva Conference convened, a brief review of disarmament efforts during the preceding decade is necessary. As indicated earlier, the attack on the problem had proceeded along two independent lines. On the one hand, the chief naval powers had endeavored to limit various categories of naval weapons by agreement among themselves. On the other hand, the League of Nations had by 1925 initiated a comprehensive consideration of the problem *in toto*—an effort which gradually became intertwined with the larger political question of security. Because the naval agreements present less technical complexity than the League preparations, let us first examine briefly their results.

The Naval Conferences 1921-30.—After the War the initiative for the first move to limit naval armaments came from the United States government. The War had left Japan the dominant naval power in the Far East—a situation which disquieted American opinion. With Russian and German power in eclipse, Tokyo was in a position to threaten not only China, but American interests as well. This shift of power in the Pacific seemed not unlikely to precipitate a Japanese-American naval race, a prospect the American people desired to avoid if at all possible. In case a war between Japan and the United States should materialize, Canada (and to a lesser degree the other British Dominions) feared that, given the continuance of the Anglo-Japanese alliance, she might be "called upon to take sides against her southern neighbor and greatest friend." It seemed particularly to Canadian statesmen, backed emphatically by Canadian opinion, that Britain must now choose between the United States and Japan.¹⁷ Consequently, at the Imperial Conference of 1921, Dominion pressure was

¹⁶ We now know from General de Bono's memoirs that Mussolini had decided as early as 1933 to seize Ethiopia by force if necessary. See pp. 618 ff., *infra*.

¹⁷ Bemis, *op. cit.*, p. 690. When the Anglo-Japanese treaty was renewed in 1911 for a decade, it was provided that the alliance should continue indefinitely thereafter subject to abrogation by either side on one year's notice.

exerted upon the British government to abandon its alliance with Japan—all the more since such an arrangement was scarcely in conformity with the spirit of the League Covenant. The upshot of the matter was that when President Harding issued an invitation to a Conference on Naval Armaments and the Far East, Downing Street was itself apparently on the verge of proposing a similar step. Economically weakened by the War, Britain little relished the prospect of a competitive naval race with the United States.

The American invitation was eagerly accepted by Great Britain, France, Italy, and China, and somewhat hesitantly by Japan. The other powers with colonial interests in the Far East (the Netherlands, Belgium, and Portugal) were subsequently included. In November 1921 representatives of these nine states assembled in Washington. Secretary of State Hughes, the chief American delegate, was elected chairman of the Conference. Britain sent Arthur (later Earl) Balfour as the head of its delegation, while Premier Briand represented France, and Admiral Kato, Japan.¹⁸

In his opening speech before the Conference, Mr. Hughes boldly offered a concrete plan for the reduction and limitation of naval weapons by a fixed ratio, corresponding substantially to the existing naval strength of the United States, Great Britain, Japan, France, and Italy, respectively. Under the Hughes plan, certain designated naval craft were to be sunk or scrapped, so far as the three leading naval powers were concerned, and a holiday on the construction of capital ships would become effective for ten years. With only minor modifications these proposals were incorporated into a naval treaty. Largely because of French objection, however, no limitation was placed on submarines, nor on light cruisers, destroyers, or other auxiliary craft. The treaty fixed a maximum tonnage only for large battleships and aircraft carriers, thereby establishing Anglo-American parity and allowing Japan 60 per cent, and France and Italy 35 per cent of the Anglo-American figures. With a view to stabilizing the *status quo*, these five Powers further agreed not to set up any new fortifications or naval bases in their possessions situated within a prescribed area of the Pacific (not including, however, either the Hawaiian or the principal Japanese Islands).

Rounding out the naval agreement, a second Treaty, signed by the United States, Britain, France, and Japan, provided that these four Powers would respect each other's insular possessions in the Pacific and consult together in case of any controversy between them or any threat arising from the aggressive action of another power. As a by-product of this essentially political agreement, the Anglo-Japanese Alliance, having become superfluous, was abrogated. In a third treaty, all the nine Powers represented

¹⁸ See R. L. Buell, *The Washington Conference* (New York, 1922), for a detailed account of its deliberations.

at Washington bound themselves to respect the independence and the territorial integrity of China and the strict observance of the Open Door. This treaty we have already considered in another connection.¹⁹

Superficially at least, the Washington Conference could be set down as a striking success. It had apparently prevented a ruinous Anglo-American naval competition, restored some sort of balance in the Pacific, and removed the Japanese threat to China. The naval limitations were possible primarily because no question of security was involved therein. Neither Britain nor America had anything to fear from the other from equality in battleship strength, while "neither France nor Italy was threatened by the naval superiority of the British Empire, or Japan, and Italy, as a comparatively poor nation, was bound to welcome any limitation proposed, on a basis of her parity with France."²⁰ Moreover, it was generally realized that under conditions of unrestricted naval construction, the United States, with its overwhelmingly superior financial strength, could easily outstrip any of her competitors.

Upon closer examination, however, it soon became obvious that the naval agreements concluded at Washington would not yield any substantial measure of naval disarmament. The first mistake had been to calculate tonnage limitations on the existing strength, not of the weakest naval power, but of the strongest. In the second place, with the construction of capital ships restricted, competition tended to shift to other classes of naval weapons, such as fast cruisers, destroyers, submarines, and airplanes. It was relatively easy to limit battleships, the efficacy of which, under the new conditions of naval warfare, many experts doubted and the cost of which was becoming prohibitive to many states. But to work out a comprehensive program of naval reduction was a far more complicated matter. Subsequent events were to show how difficult, if not impossible, this task is without taking into full account land and air armaments, the relative industrial strength of the major powers, and their willingness to subscribe to a general security system.

A concrete demonstration of this difficulty came in 1927. Still believing in the direct approach to disarmament along "regional" lines, the United States proposed that the work of the Washington Conference should be "completed" by agreement covering the remaining classes of naval weapons. Consequently, President Coolidge invited the four chief naval powers to a conference to be held in Geneva. Committed by this time to the view that all phases of the arms problem were interdependent, the two Continental naval powers, France and Italy, declined the invitation, only Great Britain

¹⁹ See pp. 576 ff., *supra*. It will also be recalled that at this time Japan agreed to return Shantung to China.

²⁰ Gathorne-Hardy, *op. cit.*, p. 54.

and Japan agreeing to participate. During the intervening years costly building programs had begun in both of these countries. Once the British program was completed, the United States would find herself in a position of marked inferiority as regards cruiser strength. In the interest of economy, if nothing else, Washington desired to check this costly competition.

✓ The Three Power Geneva Conference accomplished nothing. For one thing, the preparatory work for the Conference was woefully inadequate. (Ironically enough, the slowness of the League Preparatory Commission had been one factor in inducing President Coolidge to propose direct negotiations on the naval problem.) In the second place, the personnel of the Conference consisted almost wholly of naval experts. Without effective direction from civilian leadership, the "admirals" became so entangled in technical minutiae that they lost sight of the larger objectives of the Conference. Also, the Conference members were under pressure from munitions lobbyists. In 1927 Geneva literally swarmed with such lobbyists, headed by the notorious William B. Shearer, who "posed as a patriotic exponent of sea power."²¹

Stripped of technical verbiage, the chief bone of contention in the Geneva Conference was the question of large versus small cruisers. With the defense of their imperial interests in mind, the British insisted that they needed a large number of small, fast cruisers. Since they had numerous naval bases scattered over the globe, they could effectively employ cruisers of a limited cruising radius, that is, of 6000 to 7500 tons, with six-inch guns. The British, therefore, proposed that cruisers should be divided into two classes, the 10,000 ton eight-inch-gun type and the smaller type, with a separate total tonnage limitation for each. But the defense needs of the United States called chiefly for vessels with a larger cruising radius because of the long distances between American coaling stations. Consequently, the American delegation pressed for an aggregate tonnage maximum without regard to the distribution of classes of cruisers. But the proposed maximum was held by the British to be too low. Furthermore, they contended that "if all construction would be in the larger sizes of cruisers mounting main batteries of ten- or twelve-inch guns, the net result would be a very great increase in combat power,"²² whereas the smaller type of cruiser would be useful primarily for defensive purposes. (The longer the discussions continued, the more the American naval representatives suspected that Britain was not willing actually to apply the principle of equality to cruiser strength.) Since the United States would not sign any treaty which failed to provide for mathematical parity, an impasse was

²¹ B. H. Williams, *The United States and Disarmament* (New York and London, 1931), p. 175. Chap. X of this careful survey gives a first-rate account of the 1927 Conference.

²² *Ibid.*, p. 170.

reached. After six weeks of futile negotiations, with the Japanese playing a relatively minor rôle, the Conference broke up.^X

Although it had failed in its main objective, the 1927 Conference did call public attention to the nature of the issue dividing Britain and America. The subject of naval disarmament immediately became a favorite topic with popular writers in both countries.) By 1929 the rising clamor against the munitions interests caused the United States Senate to conduct an investigation into their lobbying activities. In the meantime, the terms of a tentative Anglo-French agreement on the arms problem were revealed to the world. By this agreement, reached secretly, the British accepted the French thesis on trained land reserves in return for French support of naval limitation by categories of vessels. News of the Anglo-French compromise produced such widespread resentment in the United States that Washington officially informed London and Paris of its disapproval.²⁸ To put the matter mildly, the agreement was maladroit and shortly after the dispatch of the American note it was dropped with "a round of apologies." Even so, it did have the effect of arousing nationalistic propaganda for more cruiser building in the United States.

A change of government was necessary on both sides of the Atlantic in order to set the stage for a renewed attack on the question of auxiliary naval craft. In the spring of 1929 President Hoover took office and the new Administration proposed the so-called "yardstick" formula as a solution of the Anglo-American controversy. Instead of a flat total tonnage for each category of naval vessels, the new formula suggested a flexible system of "equivalent naval values" which would take into account such factors as age, unit displacement, and caliber of guns. By a fortunate coincidence the second Labor government of Ramsay MacDonald came into power that autumn in Britain. Upon Mr. Hoover's invitation, the new Premier journeyed to America and conferred with the President on the Rapidan. With a superb sense of the dramatic, Mr. MacDonald gave to the American public an eloquent assurance of Britain's desire to achieve a naval understanding in the spirit of the Kellogg Peace Pact. The psychological obstacles to a new naval conference soon disappeared. Taking advantage of the new atmosphere, the British government issued invitations to the other four naval powers to meet in London the following January. This time there were no refusals and in lieu of naval technicians, outstanding political leaders were sent as delegates to the Conference.

At the London Conference of 1930, agreement between America and Britain caused little difficulty. The British Admiralty reduced its minimum

²⁸ To aggravate matters, an American newspaper published a confidential letter of instructions, sent by the Quai d'Orsay to various French embassies, which left the impression that the agreement contained a secret political understanding.

estimate of cruiser needs from seventy (the number asked for in 1927) to fifty, and maximum tonnage limitations for both classes of cruisers, as well as for destroyers and submarines, were quickly arrived at on the basis of equality in aggregate naval strength between the two Powers. (It was now the turn of Japan and France to interpose objections.) Evincing dissatisfaction with her position in the Washington conference ratios, the former power put forward a tentative claim for parity with Britain and America. When she realized there was no chance that any such claim would be granted, she finally consented, but with reluctance, to accept the Washington ratio of 60 per cent for large cruisers on condition of receiving 70 per cent in small cruisers and destroyers and parity in submarines. France took a position analogous to that formerly held by Great Britain, namely, that her naval requirements were determined by the fact that she had coast lines on three seas and colonial possessions all over the world. These requirements could not be met by mathematical parity with Italy, her great Mediterranean rival, for this would in fact reduce her to an inferior status in the Mediterranean area. In return for adequate guarantees of security, argued M. Tardieu, France might be willing to yield on the parity issue. Neither Britain nor the United States, however, was prepared to offer any such guarantees. When the Italians refused to relinquish their claim to parity with France, the two Continental states found themselves in complete deadlock, neither signing that part of the London Treaty which dealt with tonnage limitations. As a result the other three Powers inserted into the Treaty an "escalator" clause which permitted them, upon due notice, to alter their respective tonnages in case their national security demanded it. Thus Britain could expand her naval strength if either France or Italy should engage in an unduly large construction program.

The remaining accomplishments of the London Conference may be quickly outlined. All five Powers agreed to regulate the conditions of submarine warfare, although an Anglo-American proposal for the outright abolition of submarines was rejected by the other three Powers.²⁴ The London Treaty also postponed until 1936 any further replacement of capital ships. Finally, an arrangement was made to scrap certain designated battleships in order to secure some immediate reduction in tonnage. One year before the expiration of the London Treaty, a third naval conference was to be held (that is, in December 1935).

The partially successful conclusion of the London Conference prevented what might have become a dangerous competition between Britain and America in cruiser building. Still more important, it lessened the political tension between the two great Anglo-Saxon democracies. On the other

²⁴ In passing, reference should be made to the British pronouncement in favor of the eventual abolition of all warships over 10,000 tons.

hand, the London agreements failed to produce any substantial degree of disarmament. Instead of reducing existing naval strength, they tended merely to stabilize it. By not building up to the Treaty level during the ensuing five-year period, the United States achieved budgetary economies amounting to several hundred million dollars; Great Britain, a somewhat smaller amount. Japan, however, proceeded to build up to the Treaty limits, with the result that she gradually attained superiority over the United States in small cruisers, destroyers, and submarines. This policy placed Japan in a good position to demand complete parity at the 1935 conference. As we shall see shortly, this conference was to mark the end of quantitative limitation altogether. By that time transformed world conditions had set the stage for a new era of intensified naval expansion. Without the concomitant development of an organized security system as a basis for the settlement of economic and territorial controversies, the whole postwar effort to reduce naval armaments by direct action collapsed as completely as did the all-inclusive League program.)

*Work of the League Preparatory Commission.*²⁵—Preparations for a general disarmament conference under League auspices began amidst great optimism shortly after the conclusion of the Locarno agreements. In December 1925 the Council set up a Preparatory Commission, which held its first meeting the following January. With the friendly atmosphere then prevailing in Europe, it was hoped that arrangements for the Conference might be completed before the close of 1927. To heighten this hope there was the fact of official American participation in the work of the Preparatory Commission from the outset, while the Soviet Union was soon to be regularly represented thereon. But progress proved to be discouragingly slow. (Two technical subcommittees labored for almost a year in a vain attempt to define "armaments.") Then came the three power naval fiasco of 1927 with its pessimistic aftermath.

Fundamental differences of opinion came to the fore when the French and British members of the Commission submitted provisional draft conventions representing the views of their respective governments. With unswerving consistency, France tried first of all to secure prior consideration of the question of security. For the time being this was sidetracked to a Council committee, only to be brought back later to the Commission. France, again, held out for an elaborate system of international supervision,

²⁵ For amplified accounts of the Commission's work, see J. W. Wheeler-Bennett, *Disarmament and Security since Locarno* (New York, 1932) and D. P. Myers, *World Disarmament: Its Problems and Prospects* (Boston, World Peace Foundation, 1932). S. de Madariaga's *Disarmament* (New York, 1929) contains a brilliant diagnosis of the entire problem. See also V. Lefebure, *op. cit.*, *passim*.

claiming that without this no arms convention would be worth more than a piece of paper. The French were disturbed by persistent reports of secret German violations of the Versailles arms restrictions—reports which, although exaggerated, undoubtedly had some basis in fact. Britain and the United States, on the contrary, preferred to rely on the “good faith” of the signatory parties. In limiting land effectives, France, with its system of conscription, inconsistently argued that trained reserves should not be counted; the British, Americans, and Germans wished to limit *all* trained personnel. A threefold division of opinion appeared over the question of military material, France arguing for budgetary limitation, Germany preferring specific numerical limitation of each category, such as had been imposed upon her by the Treaty of Versailles, while the two Anglo-Saxon powers doubted whether any kind of limitation was practicable. Regarding annual budgetary expenditure for military purposes, France contended that total limitation was necessary; the British and Italians proposed merely the detailed publicity of expenditure; while the Americans and Germans objected to any kind of budgetary restriction at all. Finally, among the major issues, there was the previously mentioned conflict between the Anglo-Saxon powers and the two Continental naval states over whether naval tonnage should be limited by totality or by category.

Unable to harmonize these conflicting viewpoints, the Commission decided to issue a report which would merely summarize them and then temporarily adjourn. When the Commission met again in the autumn of 1927, the Soviet delegate, M. Litvinoff, appearing for the first time, made a dramatic proposal for total and universal disarmament. This was not taken seriously, since its real purpose was doubtless to discredit the slow-moving League. But it aroused suspicion, particularly among the French, who were aware of the close ties that had existed between the German and Soviet general staffs ever since the Treaty of Rapallo.²⁶ In this connection, it should also be observed that Russia's disquieting attitude toward the “capitalist” world in general and Poland in particular was an important factor in the extreme caution displayed by the Western Powers throughout the long period of technical preparation. So long as the future course of Soviet policy remained obscure, with the Red army growing steadily larger, “it was not at all obvious how states farther West could seriously disarm without exposing all Europe to acute dangers from the East.”²⁷

In the meantime, opinion in the smaller European states was becoming restive over lack of progress by the Commission. During the League Assembly of 1927 the Polish delegation proposed a resolution condemning wars of aggression which was unanimously passed. A second Assembly

²⁶ See p. 549, *supra*.

²⁷ Seton-Watson, *op. cit.*, p. 92.

resolution reaffirmed the importance of collective guarantees of security and asked that a Subcommittee on Arbitration and Security be organized by the Preparatory Commission. Such a committee was created and it set to work in December.²⁸ From this point on no discussion of the arms problem took place at Geneva without the lively ghost of collective security appearing at the conference table.

Although the Preparatory Commission held two further sessions during 1928-29, it was not until after the political skies had seemingly been cleared by independent developments that further progress was possible. The advent of the MacDonald Labor government in the fall of 1929, followed by the Young Plan, the evacuation of the Rhineland, and the London Naval Conference the next year, gave fresh impetus to the Commission's efforts. At its final session in December 1930, a skeleton draft convention was formulated. Even now, however, full agreement as to its specific provisions proved to be out of the question. The division between the *status quo* and revisionist powers on the Continent was growing sharper, with Italy and the Soviet Union tending to line up definitely alongside Germany. In order to secure the largest possible measure of agreement, Great Britain partially receded from her previous position on land reserves and came out in favor of budgetary limitation of war material. By majority vote the Commission adopted the French thesis on the limitation of trained personnel, proposed to restrict the term of service for conscripts, subjected land war material to budgetary limitation, approved the London Conference method of limiting naval tonnage, and applied the principle of over-all limitation to annual expenditure for land, naval, and air forces. It was further agreed that chemical and bacteriological warfare should be prohibited, that provision should be made for the exchange of information on national defense establishments, and that a Permanent Disarmament Commission should be created. For those matters on which there was dissension, alternative texts were prepared. Moreover, blank spaces had to be left for the insertion of actual figures later by the General Conference.

After five years of laborious effort, the Preparatory Commission could produce only this "dummy" outline of a world disarmament convention. Even so, before the French bloc would finally vote for the provisional plan, it was necessary to add a clause reserving the provisions of previous treaties relative to the size of armaments. Since this obviously had reference to the Treaty of Versailles, it was particularly obnoxious to the Germans. Little more was needed to convince them that the Allied Powers had no immediate intention of fulfilling the pledges of the Covenant and the Peace Treaties for general disarmament. Indeed, "the Draft Convention

²⁸ An immediate by-product of this Committee's deliberations was the General Act of 1928.

gave as much satisfaction to a weary and waiting world as did the Red Queen's dry biscuit to a tired and thirsty Alice in Wonderland."²⁹

• Another year was consumed in final preparations for the Conference. Germany asked that it be convened in November 1931, but the League Council set the following February as the opening date. During the intervening period, as we know, the international skies darkened again. This was the *annus terribilis* of 1931, tragically punctuated by the financial crash in central Europe, world-wide economic stagnation, the debt moratorium tangle, the Austro-German customs union fiasco, the desertion of gold by the sterling bloc, and, finally, the Japanese invasion of Manchuria. Whatever value the work of the Preparatory Commission might have had for an earlier period, it would be hard to conceive of less propitious circumstances for a general arms agreement than the beginning of 1932. "As the date fixed for the Disarmament Conference grew nearer," observes Professor Toynbee, "signs were multiplied in Germany that the fundamental point of German policy, on which all classes and all parties were agreed, was the refusal to tolerate the perpetuation of unilateral disarmament—even though the goal of equality should prove to be unattainable except by a process of levelling-up on which Germany could ill afford to embark."³⁰ (It might perhaps have been better if the League had postponed the Conference indefinitely, rather than face the prospect of failure.) But by this time so many expectations had been generated among the peoples of the world that there was nothing to do but go ahead with the prearranged plan. Monster petitions were prepared containing millions of signatures from some forty countries, and, as the Conference opened, delegations from innumerable peace societies descended upon Geneva bearing these appeals. In the United States mass meetings on disarmament were held on Armistice Day in fifty different cities. Possibly because of this world-wide upsurge of pacifist sentiment, perhaps for less altruistic reasons, the Italian delegate to the League Assembly of 1931, Signor Grandi, proposed an armaments holiday for the period of the Conference. To all intents a magnanimous gesture, the Grandi proposal was sympathetically received in Britain, America, and many of the small countries, but got a cool response in France, Poland, and Japan. Nevertheless, by November, over fifty states agreed to an armaments truce for one year. This pledge was fated to be the first, last, and only concerted action for arms limitation on a world-wide scale. Another twelve months and even it was relegated to the limbo of forgotten things.)

²⁹ J. W. Wheeler-Bennett, *The Pipe Dream of Peace* (New York, 1935), p. 6. This volume relates in trenchant style the complete story of the ill-fated Geneva Conference.

³⁰ *Survey* (1931), p. 289.

THE FRANCO-GERMAN DUEL:
"SECURITY" VERSUS "EQUALITY"

As if ironically to signalize the tragic paradox of the times, the World Disarmament Conference inaugurated its sessions just as the Japanese fleet began its bombardment of Shanghai.³¹ Representatives of sixty-one states assembled in the dreary *Bâtiment Electoral* in Geneva on 2 February 1932. To preside over their deliberations, Mr. Arthur Henderson had previously been designated by the League Council. When chosen he was Foreign Secretary in the MacDonald Labor Cabinet, but by the time the Conference opened he no longer held office—a misfortune which scarcely added to his prestige as President of the Conference.)

Although the Conference passed a resolution adopting the Preparatory Commission's draft convention as a "framework" for the discussions, this document was quickly lost sight of in the plethora of new plans which flowed into the Conference hopper.³² The spokesman for France, Premier Tardieu, seized the initiative by presenting a grandiose scheme for the creation of an international police force under League authority. According to this French plan, bombing aircraft would become a League monopoly, while other "offensive" weapons (capital ships, heavy artillery, large submarines, big tanks, and so on) would be placed at the disposal of the League. All civil air transport would be internationalized. In order to punish aggression and assist its victims, the League was to be given full power to determine the size and character of national contingents and arrange for their command and inspection. Civilian populations would be protected by the abolition of chemical warfare and aerial bombardment behind the lines. The whole scheme was to be completed by the adoption of compulsory arbitration, a clear-cut definition of aggression, and the international control and execution of a general disarmament convention.

(In essence, the French proposal aimed to incorporate into a single comprehensive agreement the whole French thesis on security which had been repeatedly advanced ever since the Peace Conference.) As might be expected, however, it won the support only of Poland and a few minor Continental states and elicited the unqualified opposition of Britain, America, and Germany. To the Reich, the French scheme looked suspiciously like "another maneuver to shelve the real issue of disarmament.") Seconded by the Americans and Italians, the British delegation countered by proposing that a distinction be made between "offensive" and "defensive"

³¹ Rumor has it that the Japanese action was timed after consultation with European munitions manufacturers, but no positive proof of this charge can be adduced.

³² Someone has calculate that 337 different proposals were submitted to the Geneva Conference before it gave up the ghost.

weapons and that the former category be completely abolished. But what did "offensive" weapons include? On this crucial point there was wide disagreement. From the Anglo-American point of view, battleships were defensive, while submarines were offensive. Exactly the opposite position was taken by several of the land powers. How about tanks? Some contended that they must be placed in the "offensive" category, while the French and British suggested that the size of the tank should be the criterion.

(In his turn the German representative, Chancellor Brüning, advanced the proposition that all weapons prohibited to Germany by the Treaty of Versailles be regarded as aggressive and that they be internationally abolished.) In any event, he insisted, Germany was entitled to and would demand "equality of status" in whatever convention might be negotiated. M. Litvinoff reiterated the Soviet proposal of total disarmament, or failing that, disarmament by progressive stages starting with aggressive weapons, together with the prohibition of chemical and bacteriological warfare. Along with Italy, Spain, and Sweden, the Soviet Union also announced its support of equality of rights for the disarmed states. L~

Following several days of opening speeches—fifty in all—the Bureau of the Conference proposed that the various plans be referred to technical commissions for study in the hope that they might somehow be coördinated with the preliminary draft convention. Adopting this procedure, the full Conference recessed from time to time until June, when the Commissions reported only meager progress. (The Conference on Reparations held near by at Lausanne caused further delay.) Then there unexpectedly came an intervention from the American side of the Atlantic in the form of a proposal from Mr. Hoover. The American President suggested an immediate all-around reduction by one-third of all existing land forces superior in strength to the "police contingent" of 100,000 men allowed Germany by the Peace Treaty. The Hoover plan favored the abolition of all bombing planes, tanks, large mobile guns, and chemical warfare, and a one-fourth to one-third reduction in the authorized Treaty tonnage of naval craft. Although the President made some allowance for those powers having colonial possessions, his use of a simple and uniform mathematical ratio as a measure for reducing existing armaments ignored other important factors in the potential capacity of states for aggression or defense, as the case might be. (The Hoover plan got a polite welcome from Germany and the Soviet Union, but only Italy, curiously enough, showed any enthusiasm for the scheme and it was soon shelved.)

(Behind the façade of involved technical argument, it was rapidly becoming clear that the crux of the problem lay in the Franco-German conflict over "security" and "equality.") In June the moderate Brüning government was succeeded by a Junker "cabinet of barons" under von Papen.

Chancellor Brüning had warned the French and British that unless he could quickly secure a promise of equality the surging tide of nationalism at home would engulf his government. This is what happened. All the Conference had been able to achieve after six months' effort was an agreement for the abolition of chemical and bacteriological warfare—a proposition already incorporated in a Protocol adopted by the Conference on the International Trade in Arms held at Geneva in 1925.³³ The time had come, declared the Germans, when some positive indication of applying the intent of Article 8 of the Covenant must be forthcoming or the Reich could no longer continue in the Conference. Despite this blunt warning, negotiations dragged along through the summer without result. On 16 September, Berlin notified the President of the Conference of its withdrawal "under existing conditions."

The deadlock continued throughout the autumn. In the meantime, the French elections of June 1932 had swung the political pendulum "leftward" and brought back Edouard Herriot as Premier. In spite of vehement opposition from the French Right, M. Herriot was now prepared to find a formula which would tie together security and equality—without, however, going so far as to grant Germany the immediate right to rearm. Such a formula was finally devised in December at a special diplomatic conference in Geneva of representatives of France, Germany, Britain, Italy, and the United States. In carefully guarded language the five Powers declared that "one of the principles that should guide the Conference on disarmament should be to grant to Germany, and to the other Powers disarmed by treaty, equality of rights in a system which would provide security for all nations, and that the principle should itself be embodied in a convention containing the conclusions of the Disarmament Conference."

Although equality had at last been officially recognized by France, both equality and security remained to be defined. Nonetheless, Germany agreed with some reluctance to resume its place in the Conference. But the sands of time had now run out. Before further progress could be made toward an implementation of the December formula, satisfactory to France, the Nazi Revolution seized control of the German government. While the full significance of this epochal event may not have been generally realized at the time, it strengthened French apprehension that Germany's real purpose was to *rearm*. Negotiations entered another period of deadlock which was temporarily broken in March by Ramsay MacDonald. The British Premier hopefully journeyed to Geneva with a draft convention replete with figures and percentages in his pocket. The MacDonald plan began by proposing that the Kellogg Pact signatories should consult together in the event of a breach or threatened violation of the Pact. Any conclusions

³³ See p. 424, *supra*.

reached by such a conference would become effective when concurred in by all the Great Powers and a majority of the other participants. This part of the plan was obviously designed to bring the United States and the Soviet Union into close association with a general security system. Mr. MacDonald's scheme next provided for disarmament by stages over a five-year period, at the termination of which the effective strength of European armies would be limited as follows: Germany—200,000 men stationed at home and none overseas; France—200,000 at home and 200,000 in her colonies; Italy—200,000 and 50,000, respectively; Poland—200,000; and Soviet Russia—500,000. "It was thought advisable to put the whole of the land forces of the Continent on a comparable basis and with a view to limiting the power of aggression to reduce them to a militia basis by fixing eight months as the maximum period of service."³⁴ The plan further contemplated the reduction of air forces to 500 planes each for the six leading powers (Germany excluded), and provided for the eventual elimination of all military aviation. Mobile land guns in excess of 6.1 inches and tanks above 16 tons would be immediately abolished. Although no further naval disarmament was proposed, the plan envisaged the adherence of France and Italy to the London naval agreements.

Recognizing that the MacDonald program had at least the merit of concreteness, the weary Conference welcomed it as a practical contribution. But the increasingly threatening tone of pronouncements now emanating from the new Nazi régime prejudiced all chance of securing general adherence to the plan. Having seen the value of a long-service professional army, Germany strenuously objected to the proposed eight-months term for military service. More significantly still, Nazi spokesmen left little doubt that Germany would be "forced to rearm" if substantial equality were not immediately granted her. France retorted that such action would make Germany liable to sanctions.

In May, the new American President, Franklin D. Roosevelt, helped to clear the air a little by dramatically sending a message on disarmament and economic peace to the sovereign heads of all the states participating in the Conference. Accepting the MacDonald plan as a first practical step toward the desired goal, Mr. Roosevelt argued that the ultimate elimination of all offensive weapons was desirable. In the interval, he declared, all the nations of the world should enter into "a solemn and definite pact of nonaggression," individually agreeing, so long as disarmament obligations were faithfully executed, to send "no armed force of whatsoever nature across their frontiers." A few days later, Mr. Roosevelt's representative at Geneva, Norman H. Davis, further clarified American policy by announcing the willingness of the United States "to consult with the other

³⁴ Wheeler-Bennett, *op. cit.*, p. 107.

states in case of a threat to peace." Further than that, if his government concurred in their judgment as to the guilty party, it would "refrain from any action tending to defeat such collective effort which these states may thus make to restore peace."³⁵ At long last America seemed ready to implement the Kellogg Pact to the extent of coöperating in an economic embargo of aggressors. This policy of limited coöperation, however, was definitely predicated on the adoption of a general international agreement limiting armaments.

(Partly as a result of the Roosevelt message, Herr Hitler temporarily assumed a conciliatory pose and the Conference was able to proceed with consideration of the MacDonald plan.) In June this was adopted as the basis of direct negotiations to be carried on during the summer. The Conference then adjourned until autumn.

The summer brought a brief diversion from the disarmament tangle. Anxious to improve Italy's position in the constellation of Great Powers, Benito Mussolini, as early as March, had proposed a Four Power Pact as his own special recipe for European peace. In its original form, this was "a scarcely veiled attempt to complete the undermining of League prestige, to eliminate the lesser Powers from their increasing importance in the counsels of Europe, and to establish a sort of directorate of four, in which France, deprived of her Eastern alliances, and with Russia strictly excluded, would be in a minority of one, while Britain's chronic vacillation would make of Italy the finger on the balance of European power."³⁶ Mussolini sincerely believed in the need of treaty revision to satisfy Germany—but only in the East, for there were Austria and the South Tyrol. His proposal, therefore, could be interpreted chiefly as a threat to Poland. Warsaw at once communicated its indignation to its French ally. The Little Entente also took alarm, aware of Mussolini's friendly overtures in the direction of Austria and Hungary. Notwithstanding these reactions, France could hardly risk a categorical refusal to consider the Rome proposal because that might throw Italy completely into the hands of Germany. Consequently, French diplomacy pursued an intermediate course. After two months of negotiations Paris succeeded in securing a more innocuous version of the projected Pact. In the final draft, signed at Rome on 15 July, the four Powers merely undertook, within the framework of the League, to coöperate effectively for peace, to make every effort to insure the success of the Disarmament Conference, and to examine all proposals calculated to give effect not only to Article 19 of the Covenant dealing with treaty revision, but to Articles 10 and 16 providing for the preservation of the territorial integrity of all

³⁵ Quotations are from the Department of State *Press Releases*, 27 May 1933.

³⁶ Seton-Watson, *op. cit.*, p. 101.

League members and for sanctions against aggression. No reference was made to rearmament for Germany in case the Conference ended in failure. In this emasculated form the Rome Pact had comparatively little positive significance. But there were two important by-products. Growing skeptical of the value of French aid against a German threat, Poland, six months later, yielded to Hitler's offer of a ten-year nonaggression agreement with Germany. Although the Four Power Pact was not responsible for the second development, to wit, the reorientation of Soviet policy, it at least accentuated the emergence of the Soviet Union as a *status quo* power. For several years, Russia had been negotiating a series of nonaggression treaties with her western neighbors. By the summer of 1933 France, Italy, and the Little Entente were brought within the orbit of this stabilizing policy, designed partly to counteract the current inclination to isolate the Soviet Union from the councils of Europe, partly as a diplomatic bulwark against a Germany that now officially espoused the "anti-Bolshevik" ideology of Nazism. M. Litvinoff further announced that his government was ready "to sign similar conventions with any other states irrespective of their geographical position and existing relations with itself."

Parenthetically, we should note one ancillary development for which the Soviet Foreign Minister was responsible. While the Conference Committee on Security sought a solution to the long-debated question of how to define aggression, M. Politis, the Greek member, proposed that that state should be recognized as the aggressor which should first commit *any* of the following actions:

- (1) declare war on another state;
 - (2) invade by armed force the territory of another state, even without a declaration of war;
 - (3) attack by its land, sea, or air forces, even with a declaration of war, the territory, vessels or aircraft of another state;
 - (4) undertake a naval blockade of the coasts or ports of another state;
- or
- (5) give its support to armed bands which, organized on its territory, shall have invaded the territory of another state or refused, in spite of the demand of the invaded state, to take on its own territory all the steps in its power to deprive the bandits of all aid or protection.³⁷

In February M. Litvinoff urged that this formula be adopted by the Conference. The Soviet proposal "found considerable favor among the small nations. It was, however, criticized by some of the Great Powers, Mr. Eden and Mr. Gibson—the United States delegate—in particular pointing out that it was 'too rigid.' It amounted in effect to acceptance of the thesis

³⁷ Wheeler-Bennett, *op. cit.*, p. 153.

that the commission of the first act of hostilities is equivalent to aggression, and that no account might be taken of the assembly of forces on the frontier of the state resorting to war, or to the adoption of a policy of deliberate and persistent provocation.”³⁸ Disregarding such objections, M. Litvinoff incorporated the Politis formula into the Soviet policy for stabilizing the *status quo*.³⁹

So far as the central objective of the Disarmament Conference was concerned, the ominous march of events rendered this discussion of the juridical aspects of aggression singularly sterile. (The mood of Berlin was now for action—not academic resolutions.) Including the Nazi party militia (SS and SA), the *Stahlhelm*, and the Prussian police, Germany had two million men in uniform, all more or less armed, by the early autumn of 1933. Large increases in German imports of materials for munitions were reported. Claiming that this amounted to disguised rearmament in violation of the Treaty of Versailles, France proposed (1) that armament be stabilized at the existing level for four or five years, during which “stand-still” period the new supervisory machinery would be tested, and (2) that a system of sanctions against potential violators be provided. Under this plan Germany would have been allowed “no samples” of the weapons forbidden her by treaty until the actual period of reduction began. How much and what kind of reduction was left undetermined. The Nazi government quickly retorted with a three-point program (1) that the trial period be shortened to six months, (2) that definite reductions be undertaken simultaneously with the inauguration of the system of supervision, and (3) that samples of all armaments retained by other countries be granted to Germany. When asked to define “samples,” Berlin replied with what amounted to a claim for substantial rearmament without delay. This virtual ultimatum from Hitler, the Western Powers (the United States included) solidly resolved to reject.

³⁸ *International Sanctions* (London, Royal Institute of International Affairs, 1938), p. 181. The validity of this criticism was amply demonstrated during later years by the provocative methods employed by Nazi Germany in Austria and Czechoslovakia—a type of “indirect” aggression culminating in “bloodless” invasion.

³⁹ In May the Security Committee voted unanimously to recommend an interesting proposal from Belgium. This was that the Permanent Disarmament Commission (or League Council) should establish in each capital a panel of ten persons from the diplomatic service of ten countries, from which any signatory state believing itself endangered by aggression might request the selection of a commission of five members to investigate *on the spot* and report to Geneva at the earliest possible moment. “The request would be public, and it would also be open to the state accused or suspected of aggression or preparation for it, itself to request an investigation on its side. The setting up of some such machinery, if practicable, would be of the greatest value.”—*Ibid.*, p. 183.

ENTER

REARMAMENT

(The denouement in the long disarmament drama had been reached. Scarcely had the Conference reconvened in October when Germany telegraphed its definitive withdrawal, followed a few days later by the announcement of withdrawal from the League of Nations as well.) In November, Hitler staged a frenzied popular referendum on this "peace with equality" policy which was endorsed by 95 per cent of the German voters.⁴⁰

With the departure of Germany, disarmament negotiations came to a virtual standstill. Talk of a "preventive war" broke out in France. Britain pursued a policy of "masterful inactivity." Isolationism flared up anew in the United States. In January 1934 Hitler launched a so-called "peace offensive," offering a ten-year nonaggression pact to France and Poland in return for the right to fortify the Rhine, a *Reichswehr* of 300,000 men, one-year military service, and all categories of "defensive" weapons. France unqualifiedly rejected this proposal because it contained no guarantees. Anthony Eden then went to see Hitler as an emissary of the British government. The *Führer* offered to accept any limit for the German army "which was equally accepted for the French, Italian, and Polish armies, and to fix the German air force at 30 per cent of the combined strength of the air forces of Germany's neighbors or 50 per cent of the strength of the French air force whichever figure was lower."⁴¹ With the vitriolic Louis Barthou now at the Quai d'Orsay, France protested once more against the "legalization" of German rearmament and demanded specific sanctions against violations of the proposed disarmament convention. In French eyes the new German military budget, announced in April, proved unmistakably Germany's resolution to rearm at whatever cost. Further negotiation, therefore, appeared useless.

The deadlock was complete. In June, as a final gesture, M. Litvinoff proposed that the Disarmament Conference be converted into a permanent peace organization. Instead, the General Commission of the Conference voted merely to instruct its various technical committees to continue the study of such questions as the control of the manufacture of and trade in arms and budgetary publicity. Since the end of 1934 the Commission has not met. Officially, the World Disarmament Conference, which opened with such fanfare of hopes in 1932, has never disbanded; actually, it is completely moribund.

Why did it fail? Apart from numerous ephemeral reasons, "the one really at the core of all difficulties was the incompatibility of two objectives:

⁴⁰ Needless to say, this plebiscite, like all subsequent mass appeals conducted by the Nazi régime, was a travesty on freedom of the ballot.

⁴¹ Carr, *op. cit.*, p. 188.

general disarmament as part of the League program, and the individual rearmament of Germany as part of an attempt to reconcile her and restore to her the 'equality' for which she asked. Theoretically, this equality could have been reached on the basis of the radical Russian proposals, which asked for real and thorough disarmament. That, however, was Utopian even before Japan's invasion of Manchuria. Equality could have been reached also by full German rearmament. That, of course, was unacceptable from every viewpoint, and certainly impossible as part of an effort toward a limitation of armaments. The compromise—a slow approximation by increase on the one hand and decrease on the other—was frustrated when Hitler seized power in Germany."⁴² The decade of intensive exploration of the arms problem was not, however, without value. Even though the political and psychological prerequisites to agreement be lacking, the technical elements in the question were much more clearly understood than ten years earlier. By 1935 general agreement could be said to exist on the following matters:

- (1) that certain methods of war such as bombing from the air and the use of incendiary and bacterial weapons should be prohibited;
- (2) that armaments should be limited both by the qualitative method of gradually abolishing certain powerful types and by the quantitative method of restricting the number of retained types;
- (3) that there should be a detailed system of national defense expenditure;
- (4) that supervision and inspection by a permanent international authority were indispensable;
- (5) that a system of guarantees to insure the execution and prevent infractions of the general convention should be provided;
- (6) that both private and state manufacture of and trade in arms required supervision.⁴³

These are gains which may prove important if and when the world powers ever seriously turn back to the ideal of international disarmament.⁴⁴

⁴² Hans Simons, "Power Politics and Peace Plans," in H. Speier and A. Kähler (eds.), *War in Our Time* (New York, 1939), p. 25. Reprinted by permission of W. W. Norton & Company, Inc.

⁴³ D. P. Myers, *Handbook of the League of Nations* (Boston, World Peace Foundation, 1935), p. 285.

⁴⁴ In passing, it should be noted that, after a delay of ten years, the United States ratified the Geneva Convention of 1925 providing for quarterly reports on the export and import of arms and munitions and for the prohibition of shipments without the consent of the governments concerned. In 1934 the American government, influenced by the revelations of the Nye munitions investigation, proposed a stronger convention providing for a system of licensing and a Permanent Disarmament Commission with power to publicize and investigate the arms trade. Subsequently the United States set up a munitions control machinery of its own under the Neutrality Acts. (See p. 720, *infra*.)

The final footnote to the disarmament debacle remains to be noted. In May 1935, Hitler executed the first of his famous *coups de théâtre* by officially repudiating the disarmament provisions of the Treaty of Versailles and announcing the adoption of conscription.⁴⁵ Three months later Great Britain in effect condoned Germany's scrapping of the Treaty by concluding an independent naval agreement with Hitler. This agreement permitted Germany to build up to 35 per cent of the total British tonnage. So long, however, as the maximum tonnage limit was not exceeded, Germany might acquire a submarine strength equal to the total for the entire British Empire. To the French this British action seemed a breach of faith.⁴⁶

With rearmament in full swing, the outcome of the London Naval Conference of 1935-36 was a foregone conclusion. As previously indicated, Japan gave formal notice, in December 1934, of her intention to terminate the Washington agreement. When the powers met in London, they were faced with a categorical demand from Japan for parity in all classes of naval armament. Neither Great Britain nor the United States would grant this demand; whereupon Japan, in the manner of Germany at Geneva two years earlier, quit the conference. To aggravate the situation further, Italy was now threatening British imperial interests in the Mediterranean and in March 1936 Hitler boldly began the remilitarization of the Rhineland.⁴⁷ Small wonder, therefore, that the three powers deliberating in London failed to accept any further quantitative limitation of their naval strength. Instead, they agreed merely to exchange advance information regarding construction programs and to restrict the maximum size of naval craft—so long as no other power exceeded this maximum, or there was no war.⁴⁸ Otherwise, all parties were free to build without limit.

The new treaty, signed by Britain, the United States, and France, was to run for five years.⁴⁹ In an exchange of letters between Anthony Eden and Norman H. Davis, the British and American governments pledged themselves to maintain fleet parity. When, in 1938, Japan refused to confirm or deny reports that she had a 40,000-ton battleship under construction, the three signatories of the London Treaty fixed 45,000 as the new limit for capital ships. Following the Munich settlement, Germany put out diplomatic feelers looking toward (1) the official recognition of German air superiority over the combined Anglo-French strength and (2) toward

⁴⁵ The political repercussions of this action, leading to the abortive Stresa front, will be considered in the next chapter. (See pp. 624-627, *infra*.)

⁴⁶ Within four short years the British Admiralty was to rue the day that such an agreement was signed, although the Nazis would no doubt have gone ahead with their submarine program in any event.

⁴⁷ For detailed discussion of these developments, see pp. 627-631, *infra*.

⁴⁸ Capital ships were limited to 35,000 tons; aircraft carriers to 23,000 tons; light surface vessels to 8,000 tons; and submarines to 2,000 tons.

⁴⁹ In 1937 Germany and the Soviet Union acceded to the London Treaty.

parity in submarines. Came April 1939 and Hitler denounced the Anglo-German agreement of 1935 altogether, while Great Britain took the unprecedented step of adopting conscription in time of peace.

But Europe was no longer enjoying a "time of peace." Competitive rearmament had become an essential aspect of the "white war of nerves" that now held the Continent in a state of continuous tension. In the totalitarian countries, at least, rearmament now served also to buttress the entire national economy, providing employment and a pseudo prosperity—for the time being! The long quest for security by the coöperative route had given way to aggressive nationalism new style—the prelude to war with bombs and torpedoes!

VI

THE RESURGENCE OF POWER POLITICS

XXVI

THE NEW STRUGGLE FOR POWER

THE IMPACT OF FASCISM

Although the Manchurian controversy had shown conclusively that the existing collective system was unable to assure pacific settlement of all international controversies, the governments participating in the League still continued to assert their full adherence to the principles which it exemplified. In many cases, this continued profession of faith may have been little more than lip service, but it can be explained, at least in part, by the remoteness of the Far East and the obvious difficulties which the League had faced in attempting to coerce a powerful state in that area. There was as yet no major European controversy which the League had been powerless to solve. Although two—now three—Great Powers were outside the League, the scoffing attitude of the United States and the Soviet Union had softened with the passing of the years until, at times, it amounted to little more than a half-defensive attempt to explain a policy of abstention on specific and unique grounds. Both governments had increased their coöperation, year after year, with the nonpolitical affairs of the League, and the United States had recently ventured a limited amount of direct coöperation with its political organs. In general, it may be said that although some governments doubted the efficacy of the collective system, there were not many who rejected openly the ideal which it represented.

This, however, was the League's Indian summer. Manchuria had shown that there were serious cracks behind the white façade of the imposing building rising upon the shores of Lac Léman and the lesson was being studied carefully in several quarters. The time was almost at hand when the League—and the whole postwar system—was to face the danger of imminent destruction beneath the hammering blows of an onslaught as ruthless and savage as it was unexpected. When it did strike, it plunged Europe into a succession of breath-taking crises, each of which brought the nations closer to the general war which came at last in 1939. This dramatic

collapse of the peace edifice and the resurgence of naked power politics, culminating inevitably in war, can be ascribed almost entirely to the impact of fascism. In the same way that the depression was the most important phenomenon in postwar economic life, the rise of fascism—particularly the German brand—was the most significant development affecting the course and nature of international politics.

It had been generally recognized that the second-rank status imposed upon Germany in the Versailles treaty was not a condition which could be maintained indefinitely, however much the Allied statesmen, and particularly the French, might strive to postpone the fateful day. After Locarno, there was a general hope that the new era of good feeling might make possible a gradual restoration of German power, to be accomplished in a spirit of coöperation and mutual good will. The early evacuation of the Rhineland and the subsequent termination of the reparations clauses of the treaty seemed to indicate that such a spirit, though understandably tardy, had at last come to Europe. But this optimism was premature. It failed to evaluate at its true importance the damage done to German national pride by the war-guilt clause of the Versailles treaty. Equally, there was a general failure to estimate the fragility of popular devotion in Germany to the Weimar system and a tendency to overlook the fact that a politically immature people, long schooled in obedience to an authoritarian system, could not acquire in a short time any true sense of the popular responsibilities necessary for the successful operation of a democratic government. Finally, observers were prone to underestimate the ravages made by the depression throughout Germany. Actually, there had been a continued and growing sense of national humiliation, and a rising tendency to identify the Weimar régime with the economic evils of the postwar era. The inflation of 1923 had destroyed the middle classes, and now the depression was threatening the lower classes as well. Thanks to all these things, but to the depression in particular, great masses of the German people were in such a state of near panic by 1932 that they were prepared to follow any cause or any leader who pretended to have a panacea for their ills, both real and fancied. They found such a leader in Adolf Hitler.

The fascist revolution in Italy had not brought about any great change in the external relations of that country. Signor Mussolini, sensing that there was much to be done ere Italy could command a position of Great Power equality in the councils of the nations, had moved with crafty caution—strengthening his defenses, uttering an occasional strident threat about his dissatisfaction with the *status quo*, but continuing, nonetheless, to coöperate with reasonable loyalty in the development of the collective system. Though avowedly and potentially a disturbing force, Italian fascism had never thrown down any definite challenge to the existing order.

The tactics of the Austrian ne'er-do-well who became Chancellor of the German Reich, 30 January 1933, were cut from a different pattern. A decade before, writing in *Mein Kampf*, he had referred to the League of Nations as a "dreamy discovery" and he warned the German people that "one must be quite clear about the fact that the regaining of the lost regions will not come about through solemn appeals to the dear Lord or through pious hopes in a League of Nations, but only by force of arms."¹ Viewing the existing situation as an intolerable affront to a deservedly great people, it was but natural that many persons, let alone the Nazi *Führer*, should have regarded the League and the whole collective system as a device designed to perpetuate that inequality of status under the guise of a hypocritical international morality. From the first, Hitler was determined to shatter the treaty system, destroy the Continental balance of power, and bring to the German Reich that European hegemony which had long been the dream of Pan-Germanism. Consequently, the triumph of Hitler proved a powerful catalytic agent to all those states and groups of individuals who were dissatisfied with the Europe that had been created by the peace of 1919. For the first time, Europe was now faced with a major threat to its hard-won peace and security. Fascism, or rather the Nazi brand of fascism, was prepared to risk all, even the horrors of another war, in a reckless bid for power supremacy.

The extent to which this grandiose scheme inferred the replacement of the League system by a dominant and bellicose Germany can be readily understood by a glance at what Herr Hitler regarded as his "political testament of the German nation for its dealings with the outside world":

Never tolerate the establishment of two continental powers in Europe. See an attack on Germany in any such attempt to organize a military power on the frontiers of Germany, be it only in the form of the creation of a State capable of becoming a military power, and, in that case regard it not only a right, but a duty, to prevent the establishment of such a State by all means including the application of armed force, or, in the event that such a one be already founded, to repress it. See to it that the strength of our nation is founded, not on colonies, but on the European territory of the homeland.²

It should be noted that this policy does not even envisage a return to the prewar balance of power. On the contrary, it expresses a demand for the unilateral domination of the entire Continent by a single power—the Germany of the Nazi Reich.

Territorially speaking, this goal of the Nazi leader was by no means limited to the destruction of the Versailles treaty and the restoration of

¹ *Op. cit.*, p. 912.

² *Ibid.*, p. 963. Reprinted by permission of Reynal and Hitchcock, Inc., publishers.

the pre-1914 frontiers. Rather, it was a return to the most extreme aspirations of the German expansionists of the Empire period. In the words of Hitler,

The demand for the re-establishment of the frontiers of the year 1914 is political nonsense of such a degree and consequences as to look like a crime. Entirely aside from the fact that the frontiers of the Reich in the year 1914 were everything but logical. For they were, in reality, neither complete with respect to the inclusion of people of German nationality, nor intelligent with respect to geo-military appropriateness. They were not the outcome of considered political action, but momentary frontiers of a political struggle in no way concluded. . . .

The frontiers of the year 1914 signify nothing at all for the future of the German nation. They embodied neither a protection in the past, nor would they embody strength for the future. . . .³

Curious indeed it is that these words were not pondered with greater care in the foreign offices of those states which then possessed an overwhelming preponderance of power!

The tactics by which the Nazis hoped to gain their ends had been set down frankly and in considerable detail in *Mein Kampf*. Although subsequent changes of situation and circumstance have forced a certain and natural amount of reorientation, the general lines of policy laid down in that volume of mingled shrewdness, naïveté, and downright nonsense have been followed with surprising fidelity. Briefly, these tactics involved the complete cessation of all effective collaboration with the collective system and all other agencies which contributed to the perpetuation of the existing status. There could be no trafficking with anything which was based on the infamous Diktat von Versailles.

In order effectively to challenge the "system," all national energies were to be coördinated in an effort to attain the greatest possible efficiency and strength. (The speed and ruthlessness with which the Nazis achieved this internal reorganization was so remarkable that, by contrast, the Italian revolution under Mussolini seemed tame indeed.) Once the entire state had been reorganized and geared to a wartime intensity of effort, it would then be necessary to revive the spirit of militarism and rebuild a vast military machine of such formidable proportions that its force could not be overlooked. On this point *Mein Kampf* is quite explicit. Force and force alone could win a proper and rightful "place in the sun" for the German Reich. When military power had been regained, then the desired objectives could be achieved, not by one comprehensive settlement, a new Versailles in reverse, but by the progressive presentation of demands each of which would

³ *Ibid.*, pp. 944, 947.

in itself be viewed by the other powers as an insufficient cause for resistance, especially if the proclaimed alternative was war.

Such was the nature of the new challenge to the Locarno system and the League. Skilfully planned and led by a man who combined complete ruthlessness and an overpowering ambition, the Nazi program foreshadowed a revival of the old struggle for dominance—a struggle which was to have been banished forever, or at least regulated, by the alternative system of collective action. Temporarily at least, the new order had failed and even its most devoted partisans were dubious about its ability to cope with the situation which now challenged it. Unless the Nazis could be coaxed into full and frank coöperation with the League, there seemed to be every likelihood that Europe faced an intensely critical period the outcome of which could be foreseen by no man.

EUROPEAN REACTIONS TO HITLER

It is doubtful if Hitler's advent to power was welcomed in any capital of Europe outside Berlin. The status quo governments looked upon him as a dangerous troublemaker who might, or who might not, be sobered by the responsibilities of power. The leaders of dissatisfied states were fearful lest their own national aspirations might be jeopardized by the stridency of Nazi demands. Everywhere government leaders took stock of the new situation, waited for developments, and planned their possible lines of offense or defense.

Signor Mussolini, eager to assert Italy's new position as a front-rank world power—and perhaps eager to avoid being pushed out of the lime-light by his new fellow-dictator—made the first move. His proposal, that the four powers, Germany, Britain, France, and Italy, should agree to consult together for a period of ten years on all important economic and political questions has been discussed in a previous connector.⁴ Under pressure from the Little Entente states and Poland, France succeeded effectively in pricking this Italian balloon. Although the Four Power Pact was signed 15 July 1933 at Rome, the final text was so thoroughly emasculated that no person of official importance in any of the four capitals concerned viewed it seriously.

More serious was the altered situation in the East. Poland had been restive for some time because of the alleged French tendency to treat the Warsaw government as an inferior rather than an equal. It was also charged that the French were far more liberal in their grants of financial aid to the Little Entente than to the Poles. Despite all this, Poland had been

⁴ Cf. pp. 599-600, *supra*.

compelled to follow a policy of strictest loyalty to France for there was no safe alternative. Poland's eastern territory had once been Russian and there was much bitterness between Warsaw and Moscow. On the west, there had been continuous friction with Republican Germany over the minorities question and the status of Danzig and the Corridor. Alarmed by the menace of a Germano-Russian rapprochement, first indicated by the Rapallo treaty of 1922, Poland had been compelled to swallow her legendary pride and cling tightly to the outstretched hand of France.

The rise of the Nazis to power, with their much-proclaimed credo of hostility to Bolshevism, changed this picture completely. Despite the Nazi threats to the Versailles treaty system the Poles began to breathe more easily because they were freed, it seemed, from the danger inherent in coöperation between Berlin and Moscow. Under the circumstances Poland was now in a position to play her long-coveted rôle of greater independence in international politics. The first visible sign of this new policy was the conclusion of a ten-year treaty of friendship and nonaggression with the German Reich. By this agreement, signed on 26 January 1934, the two parties announced their intention "to settle directly all questions of whatever sort which concern their mutual relations" and they promised reciprocally to refrain from the use of force for the settlement of their disputes.⁵

The announcement of the pact was greeted in France with a storm of press criticism but the government could do nothing about the victory which Hitler seemed to have won because the publication of the agreement coincided almost precisely with the climax of the famous Stavisky scandal. The bloody day of 6 February 1934 forced the Daladier government out of office, and it seemed for a time as if France were on the verge of serious civil strife. Under these circumstances effective action of any kind from Paris was wholly out of the question.

Although the French realized that there was a certain touch of insincerity on the part both of Poland and the Nazi Reich, the pact was, nonetheless, a distinct blow to French prestige and there was a general fear in Paris that it might be little more than the opening act of a drama designed to undermine completely France's hard-won position enshrined in the Versailles treaty system. To cope with this threat, the new Doumergue government placed the foreign office in the hands of Louis Barthou, a vigorous nationalist who was profoundly skeptical about the Nazi portent for the future of European peace. Barthou's plan for the frustration of possible Nazi design in the east was based on the creation of a so-called

⁵ The text may be found conveniently in the British Blue Book, *Documents concerning German-Polish Relations and the Outbreak of Hostilities between Great Britain and Germany on September 3, 1939*. Cmd. 6106 of 1939, p. 1-2. This pact was denounced by the German government, 28 April 1939.

"Eastern Locarno," a pact of mutual security guarantees which should embrace the Baltic States, Poland, Czechoslovakia, and Soviet Russia. The Nazis were to be invited to join the pact and, whether they agreed or not, the organization of regional security supported by Soviet power would be an effective bar to aggression in that potentially dangerous area. To complete the scheme, Soviet Russia was to join Britain and Italy in guaranteeing the Western Locarno of 1925 and, in return, France would become a guarantor of the Eastern pact.

Since Britain refused to consider any guarantee for the new projected pact, but assured France of full diplomatic support, M. Barthou entered into active negotiations with the various foreign offices, making visits during the summer of 1934 to most of the capitals concerned. At the same time his fertile brain was developing plans for a third regional security pact to include the Balkan area. Early in February, four of the Balkan States—Greece, Yugoslavia, Turkey, and Rumania—had signed a pact involving nonaggression, consultation on matters of foreign policy, and a promise not to assume any political obligations toward a non-Balkan state without the approval of the other signatories. It was obviously the desire of France to use this pact as a nucleus for a "Balkan Locarno" which might freeze the territorial *status quo* in that area, thus assuring the maintenance of French prestige and power.

Both of these plans failed. Prompted in part by Nazi pressure and in part by a genuine fear of too close coöperation with the Soviet Union, Poland rejected the French scheme and this rejection spelled its doom.⁶ Naturally, too, the plan had been opposed consistently by Germany, for the Nazis argued, and rightly, that it was designed less as a genuinely regional security pact than as a device to encircle the Reich with a league of states dominated by France.

The Balkan project had a more tragic fate. There had been difficulty from the beginning in the chronic state of bad feeling between Yugoslavia and Italy. The former had relied to a considerable extent on French protection, which was assured as long as France and Italy continued their current feud. But just when the French were laboring to push ahead with their Balkan pact project, the assassination of Chancellor Dollfuss in Vienna, and the accepted complicity of the Nazis in that deplorable outrage, threw Italy temporarily, at least, into the anti-German camp. This caused genuine alarm in Belgrade—an alarm which the French sought to dissipate by inviting King Alexander to come to Paris and confer with French officialdom. When the King landed at Marseilles, on 9 October 1934, both he and M. Barthou, who had gone to welcome his royal visitor, met a tragic death at the hands of a Croatian assassin. This dastardly act

⁶ See R. L. Buell, *Poland, Key to Europe* (New York, 1939), p. 324.

of violence in which, it has been charged, Italian influence was by no means lacking, terminated abruptly all hopes for an enlarged Balkan pact. The author and his plan died together that fateful afternoon in Marseilles.⁷

Despite this tragedy the Barthou policy was not entirely fruitless. Soviet Russia, long a jeering skeptic concerning the League of Nations and all attempts to achieve organized collective security, experienced what appeared to be a sudden change of heart following the triumph of Hitler. Alarmed by the bitter hostility displayed by the Nazis toward Communist ideology, the Comintern hastily adopted a policy of supporting all democratic governments in their opposition to fascism. The Soviet government reversed its old stand and announced its willingness to enter the League of Nations. Overriding the objections of some of the small states, a permanent seat on the Council was provided for the Soviet Union, and in September 1934 the Soviet representatives were formally welcomed at Geneva. By this act another and powerful state had apparently taken its position firmly in the ranks of the anti-Nazi, antirevisionist bloc.

To complete this new demonstration of unity with the *status quo* powers, the Soviet Union abandoned its traditional hostility toward alliances and concluded a mutual assistance pact with France. This pact, signed 2 May 1935, provided for consultation in case of danger and for coöperation and aid in case either was the victim of an attack. The pact was drawn in such a way that its operation was wholly consistent with the obligations of each state under the Covenant of the League of Nations. To safeguard this it was provided that mutual aid should come as a part of sanctions authorized by the application of Article 16. If sanctions were not applied, the parties could assist each other without violating the League Covenant provided the Council had been unable to reach unanimity. In this case the famous "gap in the Covenant" (paragraph 7, Article 15) would permit the joint action envisaged in the pact. Since a conflict between Germany and Soviet Russia might force France to fulfil the terms of the treaty by attacking Germany, thereby violating the terms of the Locarno treaties, the protocol of signature expressly stated that "the joint purpose of both governments being in no way to invalidate by the present treaty the obligations previously undertaken by France and the Soviet Union towards third countries, in published treaties, it is agreed that effect shall not be given to the provisions of the aforesaid treaty in a way which, being inconsistent with the treaty obligations assumed by one of the Contracting Parties, would expose the latter to sanctions of an international character." France also limited her obligations by guaranteeing assistance only in case of attack by a "European state." Presumably, the French had insisted that a Russo-

⁷ On the conspiracy, see Stephen Graham, *Alexander of Yugoslavia* (New Haven, 1939), *passim*.

Japanese conflict must not be a proper occasion for the invocation of the pact. Bitterly assailed by the extreme conservatives in France, the pact was hailed by the leftist and center party groups as a first major step in the encirclement of the new foe across the Rhine.

While the British hesitated, waiting for developments and hoping for the best, the French continued after Barthou's death to take every precaution against an undue growth of Nazi power. Even before the Russian pact had been signed, the officials of the Quai d'Orsay had made plans to frustrate any possibility of a dangerous entente between the two fascist dictators. It was a propitious time in which to put an end to the Italian-French friction of recent years for Signor Mussolini was known to be inflexibly opposed to Nazi designs on Austria and his wrath over the Dollfuss assassination had not yet cooled. Also, the Italian government was properly grateful because the French had effectively prevented Italy from being publicly charged with any measure of complicity in the assassination of King Alexander and M. Barthou. Nevertheless, the French recognized that the situation was a delicate one. Too great a reconciliation with Italy would alienate Yugoslavia where opinion was already hostile to France because Italy had been relieved of all possible responsibility in the Marseilles affair. Such a situation would strain the bonds of the Little Entente because of Czech fidelity to France and it might provide an opportunity for Nazi cultivation of Prince Paul, the new Yugoslav Regent. Moreover, there were other difficulties to be considered. Italy had steadily maintained that France had never honored the obligations created by Article XIII of the treaty of London of April 1915. In this agreement Italy had received the following promise:

In case France and Great Britain increase their colonial domains in Africa at Germany's expense, these two Powers recognize in principle that Italy may claim equitable compensation, notably in the settlement in her favor of the questions concerning the frontiers of the Italian colonies of Eritrea, Somaliland and Libya and of the neighboring colonies of France and Great Britain.

Also, the question of the Italians in Tunisia had become a focal point for trouble between the two states and its ramifications were so wide that no adequate solution had as yet been found.

It was with all this in mind that M. Laval went to Rome in January 1935. On the face of it, the bargain which resulted from his conversations with the Italian dictator did not involve any excessively great concessions on the part of France. The two countries agreed to consult together in case Germany attempted to rearm in violation of the Versailles Treaty. They agreed to consult with each other and with all willing states in an effort to aid Austria in case the latter's independence were threatened, and

they agreed to recommend that these neighbor states enter into nonaggression treaties with Austria. On some points the arrangements concerning Africa were more precise. The status of Italians in Tunis was agreed upon.⁸ France promised to cede approximately 114,000 square kilometers of territory to be attached to Libya, the island of Doumeirah in the Red Sea, and a small strip of French Somaliland to be attached to the Italian colony of Eritrea. France also agreed to permit Italy to acquire 7 per cent of the shares in the French-owned railway from Jibuti to Addis Ababa, the Ethiopian capital. Finally, Italy received the verbal assurance that France would not oppose an Italian demand for concessions in Ethiopia. How far France actually promised to disinterest herself in future Italo-Ethiopian relations is a moot point. Although M. Laval has always maintained that he merely gave French approval to an Italian policy of peaceful economic penetration, his critics have charged that in reality he handed Mussolini a blank check to adopt whatever Ethiopian policy he might wish.⁹

THE CONQUEST OF ETHIOPIA

During the early months of 1935 Britain and France were occupied, first with the Saar plebiscite and the subsequent transfer of that area back to Germany, and later with the consequences of Hitler's sudden decision to rearm.¹⁰ In Rome, however, official attention was focussed not to the north but to the south. The failure of the League to prevent Japan from overrunning Manchuria, the security afforded by the Laval bargain, and the current preoccupation of Paris and London with Herr Hitler's latest coup—all these considerations, and perhaps others of a domestic character, influenced the Italian decision to seize this opportunity to settle scores with Ethiopia.

The historical background of Italian relations with the one remaining native, independent state in Africa is too complicated to be recounted here in any detail.¹¹ Suffice it to say that the first Italian attempt at military conquest had terminated abruptly in the military disaster of Adowa in 1896. Thereafter, though Italy had never ceased to gaze covetously at this valuable territory lying between her two relatively worthless colonies of Eritrea and

⁸ For details, see M. H. H. Macartney and P. Cremona, *Italy's Foreign and Colonial Policy, 1914-1937* (New York, 1938), chap. VI.

⁹ *Ibid.*, pp. 131-33. *The New York Times*, 10 January 1935.

¹⁰ See pp. 624-627, *infra*.

¹¹ See P. T. Moon, *Imperialism and World Politics* (New York, 1926), chaps. VII-VIII; E. Work, *Ethiopia, a Pawn in European Diplomacy* (New York, 1935); W. Koren, Jr., "Imperialist Rivalries in Ethiopia," *Foreign Policy Reports*, 11 September 1935; E. MacCallum, *Rivalries in Ethiopia* (Boston, World Peace Foundation, 1935).

Somaliland, there had been no further attempts at aggression by force. Friendly relations between the two governments had been maintained with reasonable correctness, although Italy had undoubtedly suffered, as did France and Britain, from the inability of the Ethiopian government to prevent a considerable amount of border raiding. After the War, Italy had joined in sponsoring the successful application of Ethiopia for membership in the League of Nations. In 1928, the two governments had signed a treaty of friendship and nonaggression. Nonetheless, Italy had persisted in a policy aimed at the ultimate economic, if not political, domination of the native kingdom and had endeavored to enlist British support to this end, promising in return to support Britain's unsuccessful campaign to secure the right to protect Sudan irrigation by the construction of a motor road from the Sudanese border to Lake Tsana (the source of the Blue Nile) and a barrage at the lake's outlet. The Ethiopian government, fearful of the opening wedge of foreign influence, had steadily refused Italian demands in the east and British proposals in the west. On one occasion (1925-26) the Ethiopian government had forced the British and the Italians to abandon a plan of concerted pressure by a vigorous appeal to the League.

Thus matters stood when Signor Mussolini decided to resort to force in order to round out his East African Empire. His pretext was at hand. In December 1934 there had been an armed clash at Wal Wal, a point approximately fifty miles within the Ethiopian frontier. Italian soldiers had contested the territory and killed more than 100 Ethiopians before the latter were driven off. Both governments had immediately protested and Italy had demanded both a monetary indemnity and an official apology for an incident resulting clearly enough from the unlawful presence of Italian troops on Ethiopian soil. The Ethiopian attempt to invoke the 1928 treaty was summarily rejected in Rome when *Il Duce* insisted that "to submit to arbitration would constitute a humiliating admission of . . . equality with Ethiopia which was intolerable and unthinkable."¹² Thereupon Ethiopia appealed to the League of Nations, invoking Article 11 of the Covenant. Britain and France had an understandable aversion to any policy which would alienate Italian friendship and they brought pressure on Rome to accept a non-League settlement on the basis of the 1928 treaty. Italy agreed reluctantly to this procedure, and a commission to inquire into the responsibility for the Wal Wal affair was duly appointed, though it should be noted that Italy prevented the commission from examining the all-important question of the location of Wal Wal with respect to the Italo-Ethiopian frontier.

Throughout the summer, while the Arbitral Commission was making

¹² P. B. Potter, "The Wal Wal Arbitration," *American Journal of International Law*, January 1936.

an unsuccessful effort to fix responsibility for the Wal Wal clash, a continuous movement of Italian troops and supplies to East Africa gave warning that Italy was preparing to insist upon a fundamental settlement with Ethiopia which might go far beyond any results forthcoming from the decision of the arbiters. Despite these obvious preparations for a settlement to be imposed by force, the League Council continued to cling to the hope that the Arbitral Commission might reach a decision that would open the way to a settlement which would not bring League machinery into action.

These hopes were doomed. The Wal Wal Commission rendered a unanimous award, 3 September 1935, exonerating both parties from responsibility, but events had already relegated this aspect of the controversy into the background. The following day Italy presented to the League Council a general memorandum of its claims against Ethiopia. After reviewing the difficulties in Italo-Ethiopian relations, the memorandum concluded by asserting that Ethiopia was such a backward and uncivilized state that it had lost all right to invoke Covenant protection against other League members, and that the other member states were really under no obligation to observe the Covenant in their dealings with Ethiopia. When the Ethiopian representatives attempted to present their counter claims and requested the Council to invoke Article 15 in order to prevent an impending war, the Italian delegates withdrew from the Council chamber, refusing to sit on any basis of equality with the representatives of so "barbarous" a state. The Council, no longer able to avoid the unpleasant controversy, appointed a Committee of Five to examine the problem and seek a pacific settlement.

In the meantime, the Assembly had convened for its annual session and proceeded to a full discussion of the controversy. Those who hoped that the League would bring about a peaceful settlement by taking a strong and decisive stand on the issues involved were greatly cheered by the famous speech of Sir Samuel Hoare, British Foreign Secretary. Taking a surprisingly firm position, the British representative declared:

In conformity with its precise and explicit obligations, the League stands, and my country stands with it, for the collective maintenance of the Covenant in its entirety, and particularly for steady and collective resistance to all acts of unprovoked aggression. The attitude of the British nation in the last few weeks has demonstrated the fact that this is no variable and unreliable sentiment, but a principle of international conduct to which they and their government hold with firm, enduring and universal persistence.

This unexpected firmness, which in part was a reflection of the results of the famous British peace ballot of a few months before, was not welcomed by the French representatives who were trying desperately to find a solu-

tion to an almost insoluble dilemma.¹³ Having struggled for years to strengthen the League system of collective security, the French now found themselves faced with the necessity of abandoning this traditional stand or of supporting it under conditions which, by provoking Italian resentment and resistance, might well bring about a dreaded rapprochement between Rome and Berlin. Consequently, M. Laval's position, rendered doubly difficult by his recent agreement with Signor Mussolini, was quite equivocal, and his own speech before the Assembly mingled professions of loyalty to the League and friendship toward Italy.

While the Assembly was being deluged with oratory, the Council Committee of Five was striving patiently to reach a compromise. The chief Ethiopian representative had proposed several days before that the League might undertake responsibility for reforms, such as suppression of slavery and control of the arms traffic, which were urgently and admittedly necessary. Accordingly, the Committee of Five proposed, on 18 September, that the League "should extend collaboration and assistance on a collective international basis." Foreign advisers were to supervise the administration of reforms. Italy was to be appeased by the recognition of "a special Italian interest in the development of Ethiopia" and the latter government was to receive compensation, presumably in the form of an outlet to the sea, from France and Britain. Although Ethiopia accepted this proposal, it was rejected flatly by the Fascist Grand Council as inadequate to meet Italy's demands.

The first type of pacific settlement provided in the Covenant having failed, the Council had no alternative but to prepare the report provided for in Article 15. While the entire Council, minus Italy, was sitting as such a Committee, Britain and France were jockeying for position, the former trying to pin the latter down to a promise of full support in case sanctions brought reprisals by Italy against the British navy in the Mediterranean. France, in turn, attempted to make such a commitment contingent on a promise of unqualified British support in case the French became involved in difficulties with Hitler. Italy now took matters into her own hands, warned Geneva that military sanctions would be met with force, and, now that the African rainy season had ended, inaugurated the long-anticipated invasion of Ethiopia.

Under such circumstances Council action was predetermined. The first report exonerated Ethiopia and a second report by a Council Committee, accepted 7 October, branded Italy as an aggressor and invoked Article 16

¹³ The British League of Nations Union had conducted a poll which demonstrated widespread popular support for the League and for the use of sanctions in order to enforce Covenant provisions. Cf. Dame Adelaide Livingstone *et al.*, *The Peace Ballot, the Official History* (London, 1935).

of the Covenant. For the first time in its history the League named an aggressor and prepared to use collective pressure against a Great Power. This action was approved by fifty-one of the fifty-eight states in the Assembly.¹⁴ Proposals for economic sanctions were elaborated at once by a Committee and were put into operation with remarkable speed. These sanctions included (1) an arms embargo, (2) a refusal to grant any financial assistance to Italy, (3) prohibition on all imports from Italy, and (4) a prohibition on the export of certain commodities to Italy.

This first attempt to apply sanctions did not begin auspiciously. There was no desire to close the Suez Canal to Italy, nor was there any desire to apply military sanctions. Moreover, the list of commodities which might not be exported to Italy failed to include many key raw materials, such as petroleum and petroleum products, which were vitally essential for the conduct of a modern war. The reasons for this half-heartedness should be plain. France believed that Italy must not be lost irretrievably from a possible anti-German coalition in Europe. Great Britain was not willing to shoulder the major portion of the burden alone. The British government had partially disarmed, i.e., they had failed to keep up with an extensive rearmament program, and the feeling was general in London that Britain's precious sea power ought not be risked over this controversy when it might be needed later for more serious contingencies. Further, Britain was willing to make some concessions in order to insure the maximum solidarity with the French. Also, the belief was general that Italy could not win a swift or decisive victory because of the difficulties of the terrain in East Africa, the recognized valor of the Ethiopian native soldiers, and the shortness of the fighting season until the rains would come again and bog down motorized units in a sea of mud. When that occurred, Italy might be more amenable to a reasonable and negotiated peace. Also, the reluctance to apply an oil sanction can be explained in part by the belief that, in view of the uncertainty of effective American coöperation, such a sanction might benefit American oil exporters without having any restraining effect upon Italian military operations.¹⁵ Finally, there was a further reason why the British were hostile to the employment of military sanctions or comprehensive economic sanctions: there seems to have been a widespread belief in British governing circles that if Italy were pushed too far the entire fascist régime might collapse and be replaced with one which would be far less palatable to the British Conservative party. Under these circumstances, since Britain was *au fond* almost as reluctant as France to

¹⁴ Albania, Austria, and Hungary were the only states which spoke out openly in behalf of Italy's cause. The reasons in each case were obvious. Switzerland made a reservation regarding the extent of its willingness to participate in sanctions.

¹⁵ See pp. 710-712, *infra*.

apply any extreme pressure to Italy, the British quickly retreated from the bold stand taken by Sir Samuel Hoare in September and contented themselves with full coöperation in the application of the limited economic sanctions which had been proposed at Geneva.

Further developments came quickly. Once the British government had won a sweeping victory at the polls in October, there was an even greater official desire in London to bring the Ethiopian war to a speedy conclusion. From all sides came so much popular pressure in favor of an embargo on petroleum that the British and French governments, being definitely cool to this proposal, strove to avert the need for a definite decision. It is in this light that the famous Hoare-Laval plan can be understood. Premature publication in December of the Anglo-French willingness to give Italy approximately two-thirds of Ethiopia—at a time when Italy had been designated as an aggressor, when Italy was being subjected to economic sanctions, and when the Italian slaughter of native tribesmen by means of poison gas had horrified world opinion—created a storm of resentment everywhere. In Britain, the alarmed government allowed Sir Samuel Hoare to resign, offered a series of lame excuses, and hastily filled the Foreign Office secretaryship by the appointment of Anthony Eden, a rising young Conservative widely known for his vigorous advocacy of the League system. Nonetheless, the damage had been done. The Hoare-Laval plan, following on the heels of the adoption of mild sanctions at Geneva, convinced opinion everywhere that the great League powers were by no means wholehearted in their support of the Geneva institution. A reaction of great indignation was particularly strong in the United States where these developments seemed to confirm the deep-seated suspicion with which many Americans had regarded the League.

The remainder of the Ethiopian undeclared war can be dismissed briefly. Despite the drain upon the Italian gold reserve and the hardships which resulted from sanctions, the Rome government was able to crush Ethiopian resistance and occupy Addis Ababa before the advent of the rainy season. The Emperor fled—ultimately to exile in England—and organized resistance virtually collapsed by the end of May 1936. Faced with this *fait accompli* the League could do little but listen to a final plea from the Emperor Haile Selassie, who had journeyed to Geneva in order to beg for continued assistance, and then to decide in July 1936 to bring the sanctions experiment to an end.¹⁶ Italy had challenged the collective system by a brutal and undisguised aggression upon a weak member state and

¹⁶ On the sanctions experiment, see Royal Institute of International Affairs, *International Sanctions* (London and New York, 1938), *passim*; Sir Alfred Zimmern, "The Testing of the League," *Foreign Affairs*, April 1936; and Vera M. Dean, "The League and the Italo-Ethiopian Crisis," *Foreign Policy Reports*, 6 November 1935.

had emerged completely victorious. Might and Right had not yet been divorced.

GERMANY STRIKES AT THE VERSAILLES SYSTEM

Even before Italy had launched her first bid for empire and greater world power, Herr Hitler had fired the opening guns in his own offensive against the hated "Diktat" of Versailles. Internal reorganization in Germany had been carried out to such an extent that the Nazi *Führer* was now free to turn his attention to foreign affairs, and, in view of the failure of the Austrian *coup* in July 1934, it was perhaps increasingly urgent that some blow be struck as quickly as possible at the treaty system. Success in this direction would go far to justify Nazi boasts and win greater unanimity of support at home.

This opportunity came in the early months of 1935. Although it had been clear for some time that the French project for an Eastern Locarno pact was doomed, the British government was not overly enthusiastic concerning the projected Franco-Soviet pact for they judged, rightly enough, that it would have extremely bad repercussions in Berlin and they much preferred to seek some means by which the new German régime could be induced to resume fuller coöperation with the other great powers. As the British viewed the problem, Germany was determined to regain a status of substantial equality, particularly in the matter of armaments, and since this eventuality could not be postponed indefinitely, it might be wise to concede this if Germany would be willing in return to accept some obligations in the domain of collective security.

It was with all this in mind that the French and British Premiers and Foreign Ministers met in London at the beginning of February 1935. The French had just completed their settlement with Mussolini and were eager to consolidate their position generally. Briefly, the two powers agreed upon the following policy: Under certain conditions they were willing to yield on the question of German arms equality. These conditions included a general settlement "freely negotiated between Germany and the other powers" which would provide for regional security pacts in central and eastern Europe and a special pact of nonaggression by air to supplement the existing Locarno treaty. Also, Germany was to "resume her place in the League of Nations with a view to active membership."

This proposal was significant. For the first time Britain recognized officially the new menace to which the British Isles might be subject as a result of attack by air. Also, inferentially at least, the proposal recognized the existence of a German air force which was legally forbidden by the

Versailles Treaty. Not even the official myopia of cautious diplomacy could indefinitely overlook the generally recognized fact that Germany was on her way to a *de facto* rearmament.

The German reply was moderately encouraging. Herr Hitler refused to consider any regional security scheme for his eastern frontiers but he commended the plan for a western European air pact and suggested that Sir John Simon come to Berlin to explore the detailed aspects of such a scheme. It was arranged that Sir John should go to Berlin on 7 March, but a scant three days before his departure the British made a serious blunder by publishing a White Paper on defense in which illegal German rearmament was openly cited as the primary reason why Britain must improve her army, navy, and air strength. It may be that Germany was awaiting some such incident which could be used as a pretext for forceful action. It may be that the Nazis were genuinely offended by the undiplomatic language of the White Paper. At any rate, whatever the reality of the situation, action was speedy. The German Chancellor developed an immediate "cold" which made it necessary to postpone Simon's visit. Within a fortnight Germany had officially admitted the existence of her air force and Chancellor Hitler had issued a decree, 16 March, restoring conscription and declaring that Germany had decided to create an army of thirty-six divisions (550,000 men). Herr Hitler had apparently reached the shrewdly correct decision that since his opponents were now willing to concede German rearmament in return for some price, he could safely proclaim rearmament without paying any *quid pro quo*. In this way he could reap the maximum benefit in prestige without facing any real danger, for he assumed that the other powers would be unable to agree upon a common policy of action.

This last assumption was fully justified by the subsequent course of events. No one favored such a drastic measure as a preventive war, and the powers were sharply divided over alternative policies of encirclement or appeasement. Official Britain, still firm in the belief that Germany could be coaxed back into the family of nations by a policy of "sweet reasonableness," opposed the Franco-Russian desire to counter Hitler's move by diplomatic encirclement.¹⁷ Consequently, the British protest was mild indeed in comparison with that delivered in Berlin by the Italian and the French ambassadors. The French note denounced the German action and insisted on a special three-power conference and an appeal to the League of Nations.

These developments were all anticlimactic. The Nazi leader had out-guessed his opponents and, when they met for the scheduled conference in Stresa early in April, they could do little more than issue a formal expres-

¹⁷ See Prime Minister MacDonald's speech to the House of Commons, 2 May 1935. *The New York Times*, 3 May 1935.

sion of regret over Germany's action and renew their pledges of support for Austrian independence and the Locarno treaties. Nor was the League action more forcible. Presented with a complete *fait accompli*, the Council could do little more than "view with alarm" the fact that "Germany has failed in the obligation which lies upon all the members of the international community to respect the undertakings which they have contracted." Needless to say, these reproofs caused no hanging of heads in Berlin. Rather, Herr Hitler took occasion to consolidate his new gains by the use of a technique which he was to find valuable on many later occasions. Briefly, this technique consisted in allaying suspicion by publicly affirming that the new *status quo* represented the full realization of Nazi ambitions. Thus on 21 May 1935 the Nazi chieftain made a long speech in which, although he raised certain questions concerning the compatibility of the new Franco-Soviet alliance with the obligations of the Locarno Treaties, he declared that his government would "strictly live up to every treaty voluntarily signed even if it was signed before the present government came into power. It will therefore fulfil all obligations resulting from the Locarno Pact so long as the other treaty partners are themselves ready to stand by this pact." He offered assurances that Germany was willing to enter into any arms limitation agreements on a basis of equality, and he gave a specific pledge concerning Austria, saying that "Germany neither intends nor wishes to interfere in the internal affairs of Austria, to annex Austria, or to conclude an *Anschluss*." Further, he asserted, somewhat inferentially, that Germany might be willing to return to the League of Nations if "a real basis of judicial equality for all participants" could be established. As final "proof" of his peaceful intentions he pledged his government to coöperate in any "international arrangement which will effectively prevent and make impossible all attempts to interfere from outside in the affairs of other States."

This policy, cleverly designed to appeal to British "appeasement" circles and so to drive a wedge between London and Paris, was maintained unremittingly throughout the summer.¹⁸ Hitler continued to profess the German need for a prolonged period of peace and insisted repeatedly that rearmament meant only a better guarantee of peace. Concretely, his policy bore fruit in the form of a naval agreement with Britain which was signed

¹⁸ The success of this policy can be gleaned from the following statement by Sir John Simon in the House of Commons, 2 May 1935, apropos of a recent interview with Hitler: "I think it would be fair to say that the German Chancellor throughout emphasized that his attitude was that he wished to state the final requirements of Germany. He conveyed to us very strongly the impression that he considered that it would be wrong to advance certain demands now, in order to increase them later, just as it would be wrong to keep silent now and then start some new topic hereafter . . . in connection with the facts which he put up from beginning to end we understood that he was stating frankly, fully and finally the attitude which Germany took up, and that he wished to assure us that this was not the first part of a piece-meal declaration."

18 June 1935. Germany bound herself not to exceed a naval ratio of 35:100 with Great Britain, though she reserved the right to construct submarines up to that percentage of the entire British Empire total.¹⁹ This agreement was viewed in London as a good insurance measure. Germany had repudiated the treaty and was now free to rearm up to any maximum which the finances of the country would permit. Therefore, it was realistic diplomacy to recognize a *fait accompli* and drive a bargain which would prevent a ruinous naval building race.

It is needless to say that these considerations were not appreciated in Paris and Rome, where great indignation greeted the announcement of the naval pact. In both countries it was felt that Britain's action represented a violation of the Stresa agreement, as well as a condonation of Germany's action in violating the arms clauses of the treaty. In Paris, especially, it was feared that Hitler was making progress toward the achievement of his well-known desire to create friction between London and Paris.

THE REMILITARIZATION OF THE RHINELAND

The Hitlerian technique which had worked so well in the matter of rearmament was soon repeated in an almost identic fashion. This time it dealt with the Rhineland. By Articles 42 and 43 of the Versailles Treaty Germany had agreed not to construct any fortifications, or to maintain any armed forces, in a zone covering all the left bank of the Rhine and extending eastward from the Rhine for a distance of fifty kilometers. Further, she had agreed (Article 44) that any rearmament or fortification of this area should be regarded as "a hostile act against the Powers signatory of the present Treaty and as calculated to disturb the peace of the world." The Locarno Treaty of Mutual Guarantee had reaffirmed this demilitarization of the Rhineland and had provided that any violation thereof would bring the penalty clauses of the treaty into operation just as if Germany had actually attempted to invade France or Belgium.

This arrangement, to which Herr Hitler had specifically pledged continued German fidelity, was an obstacle to any German ambitions in the East since it left the Western frontier exposed and defenseless. Under the guise of League sanctions, France could apply force to Germany and thereby come to the aid of Poland, Czechoslovakia, and even Austria. It was clear that no major coup in the East could be contemplated until there were fortifications in the West sufficiently strong to immobilize the powerful French army.

¹⁹ See p. 604, *supra*.

It was against this situation that Herr Hitler determined to use his new technique. As a pretext he alleged suddenly that the Franco-Soviet pact—which, after nearly a year's delay, had at last been submitted to the Chamber of Deputies for approval on 11 February 1936—was a violation of the Locarno Treaties. According to the German thesis, a Soviet-German war would require France to fulfill her alliance obligations by attacking the Reich, thereby breaking Article 2 of the Locarno Treaty. With this hastily trumped-up argument, the German Chancellor startled the world by the announcement, 7 March 1936, that German troops were actually marching into the Rhineland. At the same time he was careful to accompany the blunt announcement of this new violation, not only of the Versailles Treaty but of his own pledged word, with a memorandum carefully designed to appeal to foreign public opinion in such a way as to forestall any possibility of retaliatory action. The Chancellor professed his willingness to negotiate with France and Belgium concerning a demilitarized zone for *both* sides of the frontier, a scheme which the French government was bound to reject because this would have required the destruction of the recently completed Maginot line. As a further appeal for liberal support, the German note advocated a new twenty-five year nonaggression pact between Germany, France, and Belgium, while Britain and Italy were to be invited to act once more as guarantors. An air pact was offered to states in the West and nonaggression pacts were offered to all Germany's neighbors in the East. Finally, the note declared that, as an indication of Germany's complete contentment with the new *status quo*, the Reich was willing to re-enter the League of Nations. This offer was accompanied with a mild proviso which expressed "the expectation that in the course of a reasonable period the question of colonial equality of rights and that of the separation of the League Covenant from its Versailles setting may be clarified through friendly negotiations." At the same time Herr Hitler addressed the Reichstag in a long, emotion-ridden speech in which he made the following specific declaration:

After three years, I believe I can today regard the struggle for German equality as over. I believe that the first ground for our onetime withdrawal from European collective coöperation has been removed.

If we now are again ready to resume this coöperation, it is with a sincere wish that perhaps the present proceedings and a review of these years may help to strengthen an understanding for this coöperation among other European peoples also.

We have no territorial demands to make in Europe. We know above all that the tension resulting either from long territorial provisions or from the wrong relationships between the population living in areas can, in Europe, not be solved by wars.

Here was the Nazi technique of aggression in its simplest form. A sudden, bold coup, timed with great skill and executed with complete *sang-froid*, was accompanied by a profusion of assurances concerning future good behavior and an avowed willingness to go to almost any limits in international coöperation for the maintenance of peace. On this second occasion when the technique was employed there seems to have been much trepidation in Germany lest such a bold violation of the Versailles Treaty should bring immediate military reprisals from France.²⁰ But once again the Reich Chancellor had outguessed his advisers as well as his opponents. Official Britain was still opposed to drastic action and France was paralyzed economically and politically. The French were facing a general election within a few weeks and the newly formed Popular Front was campaigning vigorously on a platform of domestic reform. Politically, all was confusion. In the economic sphere, the paralysis was fundamentally the result of a desperate and overly prolonged attempt to prevent further devaluation of the franc. This had resulted in poor tax returns, export stagnation, and an alarming flight of capital from Paris. To the French government, the prospect of having to bear the financial cost involved in military action and perhaps a general mobilization of the army was exceedingly unattractive. Also, while there was indignation in both countries, there was no widespread popular understanding of the Hitlerian technique. On the contrary, many influential persons in and out of the ranks of officialdom were completely taken in by the disarming professions of sincerity and good faith which accompanied the German coup. Those who were not so gullible were rendered virtually helpless by the crowning feature of the Nazi technique. This was the dictator's undoubted ability and professed willingness to use force in order to protect the new *status quo*. General hostility to war was so strong in Britain and France that it would have been difficult politically to have threatened to dislodge German troops from the Rhineland by the use of force. It was this popular unwillingness to face the proclaimed alternative of war that Hitler had counted upon. It brought him the same striking success in the Rhineland venture that it had brought to Mussolini a few months earlier.

One further observation seems pertinent at this point. A wise and foresighted French statesman ought to have realized that strong German fortifications on the Rhineland frontier would make it almost impossible for France effectively to come to the aid of Poland or any member of the Little Entente if these states were thereafter menaced by a resurgent and aggressive Germany! With all the wisdom of hindsight it is easy, and unquestionably true, to conclude that the Rhineland crisis presented Britain

²⁰ It is rumored that Herr Hitler's decision to reoccupy the Rhineland was opposed strongly by German army officials.

and France with a final opportunity to check mounting German ambition at a time when it would have been comparatively easy to have done so. Further, it is wholly possible that such an action might have dealt a crushing blow to the prestige of Nazi leadership, forcing either a change of régime or the adoption of a genuinely coöperative policy. Unquestionably, it would have forestalled the succession of crises, produced by the same technique, that eventuated ultimately and inevitably in another major war.

As it was, the reaction of the Locarno powers was completely ineffective. Technically, the situation was awkward, for Italy was both a guarantor power of the Locarno Treaty and a permanent member of the Council of the League—the same League that was engaged at the time in applying sanctions against Italy as an aggressor in Ethiopia. Hitler had reckoned, and properly, that Italy would not be in a mood to assist Britain and France in any decisive action against him, and no League action could be taken, because of the unanimity rule, without the approval of Italy. Actually, the League Council met in London, on 14 March 1936, debated the new problem, and left the matter in the hands of the Locarno powers. The latter dispatched a note to Berlin, condemning the occupation and inviting Germany to lay the question of the Franco-Soviet pact before the World Court. Pending the Court's decision, Germany was to maintain only a token force in the Rhineland and was to refrain from the construction of any fortifications. The only answer made to the German peace plan was a declaration of willingness to sponsor an international conference which would organize collective security, provide for arms limitation, and improve trade relations.

This ineffective gesture was disdained in Berlin, where a national plebiscite on the Rhineland occupation was immediately ordered. This yielded the customary 99 per cent approval of the government's policy. Thus fortified, the German government replied at length, 1 April, in a communication which was little more than reiteration of the "Peace Plan" previously offered. The proposal to submit to the World Court the question concerning the compatibility of the Locarno treaties and the Franco-Soviet Pact was ignored. The proposal for an international conference was answered in an evasive fashion. When Britain, still trying to open the way to general negotiations, replied with a questionnaire which requested greater clarity and precision on certain points, the communication remained unanswered. Herr Hitler had won his case and he saw no value in further conversations.

Several by-products of this crisis may be noted briefly. Many of the small states became alarmed over the rapid succession of events which seemed to be driving Europe once more into a system of alliances and armed camps. Fearing the worst, they took what steps they could to avoid being drawn into a major conflict. For Switzerland and the Scandinavian

states, this took the form of declarations repudiating all obligation to apply League sanctions in an automatic fashion. For Belgium, it was a matter of persuading Britain and France to permit withdrawal from all Locarno obligations in order to return to a traditional stand of neutrality. Such a policy seemed eminently justified when Germany raised the period of obligatory military service to two years, 24 August, and proceeded to adopt a "four-year" plan of vigorous economic fortification. The last vestiges of the collective system had disappeared in the waters of the Rhine and on the sands of Ethiopia. An unchecked struggle for power was no longer a Banquo's ghost at Genevese banquets. It was a stark reality, lusty and ominous.

XXVII

THE FRUITS OF APPEASEMENT

THE SPANISH CIVIL WAR

The international repercussions of the Rhineland crisis had scarcely died away when a new and ominous cloud appeared over the horizon. This was the outbreak of civil war in Spain. Within a few short weeks it appeared quite possible that this new war might spread far beyond the Spanish frontiers and engulf all Europe in a much-dreaded major conflict. Although, in the end, this greater catastrophe was prevented, or rather postponed, the Spanish conflict did go far to advance Europe along its new road toward war.

Certain aspects of that bloody struggle must be briefly considered. With the domestic causes or a detailed account of subsequent military developments we are not greatly concerned. The Revolution of 1931, which had driven out the monarchy and established a liberal republic, had, from the beginning, rested on a narrow and precarious foundation, for Spain did not possess a strong and numerous middle class, the traditional backbone of moderate, democratic government in all countries. In consequence of this, the republican leaders faced danger from two fronts. On the Right there was uncompromising hostility from the three powerful vested interests—the church, the army, and the great landed nobility—all of which feared that the effect of the revolution would be to deprive them of a major portion of their extensive privileges. On the Left, the radicals had become increasingly dissatisfied with the tempo of reform and they were not unwilling to use force in order to achieve the ends to which they were committed. In the elections of February 1936 the radical and left-wing liberals gained 166 seats in the Chamber while the center parties lost 111, and the rightist groups 44 seats. This signified the virtual disappearance of moderate influences and numerous anticapitalist and antireligious outbreaks foreshadowed a shift of political power to the radical extremists.

Under such circumstances it is not surprising that the embattled conservative forces should have decided to resort to force in order to protect

themselves from the anticipated onslaught. Fighting broke out in the middle of July and within a few days all Spain was torn by civil strife. A large part of the army rallied behind General Franco, who returned from his "exile" in the Canary Islands to head the rightist, or insurgent, forces. Masses of the common people, particularly in urban areas, hastened to take up arms in defense of the government. Soon there was bitter fighting on a wide front.

The positions of the other powers toward the civil war were soon apparent. Both Germany and Italy saw in the conflict an opportunity to advance their respective positions in the new struggle for power. Victory for the fascist (Franco) forces might create in Spain a new and valuable ally so placed strategically that it could render great assistance to Berlin and Rome. Fascist control over Spain and the Balearic Islands would weaken the British position at Gibraltar and seriously endanger the invaluable French line of communications between Marseilles and North Africa. Better still, it might even force France, in case of war, to defend a third frontier, the Pyrenees. In any event it might give the axis powers better access to the Rio Tinto copper and the iron in the Bilbao region. All in all, it was a perfect setting for a scheme designed to weaken the democracies and to strengthen the fascist states in their new bid for prestige.

Quickly grasping this situation, both Italy and Germany began to assist the insurgent troops by the dispatch of large quantities of war material and later by thousands of soldiers euphemistically termed "volunteers." Engineers and military advisers were also hurried to Spain and placed at General Franco's disposal. Soviet Russia, seeking to bolster the efforts of the Spanish government to defend itself against this powerful coalition, responded to the covert intervention of Germany and Italy by sending quantities of supplies and numerous technical advisers to Madrid, where they were of undoubtedly great aid in organizing military efforts. In theory a civil struggle, the Spanish war rapidly assumed the appearance of an international conflict which, though disguised, was nonetheless painfully real.

— The reactions of Britain and France to this new danger were somewhat complicated. Neither government welcomed the prospect of a sweeping victory for either side, for a Communist-controlled Spain seemed quite as undesirable as a Spain under fascist influence. Caught in this unpleasant cross fire, the democratic governments were forced to pursue a cautious middle course. This obligation was particularly true in France, where Premier Blum now headed a Popular Front government which had been swept into power by the spring elections on a program of domestic social reform. To achieve this program toleration and a certain amount of sup-

port from apprehensive rightist financial quarters were required. But the Right was, as always in France, not only strongly pro-Catholic in its orientation but deeply suspicious of the French-Soviet alliance as well. Consequently Premier Blum realized quite keenly that, if he made any attempt to come openly to the aid of the embattled Spanish liberals, France would be split asunder politically and the entire social program of the Popular Front would be wrecked irretrievably. This danger was not present in Britain, where the Conservatives ruled with a firm hand; but official London, viewing the civil war with marked distaste, had reached the conclusion that a Franco victory might be less of a threat to the Empire than a triumph which would enhance the prestige and authority of the Soviet Union in western Europe. Therefore, and for rather different reasons, both governments favored a policy which would localize the conflict as far as possible.

In many ways the problem was a delicate one. Under international law, any foreign government could have permitted arms shipments both to the rebels and to the legitimate Madrid government but it would have been illegal to supply arms to General Franco and not to Madrid. It was feared in Paris and London that, if the Madrid government were given the aid it might lawfully expect, the fascist powers would counter by recognizing General Franco's régime, thereby paving the way for the possible transformation of the civil war into an international struggle of the first magnitude. If this supposition were true, the only prospect of localizing the affair was to deny French and British aid to Madrid in the hope that, by depriving the fascist powers of any pretext for recognizing General Franco, the war could be effectively confined to the Spanish peninsula. The French and the British were under no illusions as to the surreptitious aid which General Franco would in all probability continue to receive but such aid would be less than it would be if given openly and, in any event, the French, for the domestic reasons indicated, could not have offered any great amount of aid to Madrid.

It was in the light of all these complications that Premier Blum, supported by Great Britain, launched his program of nonintervention. After preliminary soundings, the French cabinet proposed an international agreement to ban all shipments of arms and war material to both groups of contestants. While the axis powers were still hesitating, both France and Britain led the way by enacting such embargo measures. Ultimately, the European powers assented to this policy and the international Nonintervention Committee held its first meeting in London on 9 September 1936.

Naturally, the Madrid government protested strongly against the policy of nonintervention. When, moreover, it found that Britain and France were adamant in their refusal to reconsider, it made an abortive effort to

get the problem on the agenda for the League of Nations Assembly meeting later in the same month. At Geneva, the Spanish representative was dissuaded from making specific accusations against Italy and Germany but he did arraign their conduct in thinly veiled terms and the Spanish government promptly published a "White Book" of documents which was supplied to all League members. Later, 12 December 1936, the League Council side-stepped the dangerous issue by resolving "that every State is under an obligation to refrain from intervening in the internal affairs of another State," and praising the policy of nonintervention.

It was inevitable that the course of nonintervention should have been tortuous and on the whole quite unsatisfactory. While both Germany and Italy "recognized" General Franco's government officially in November 1936, they did not use this as a pretext for open violation of the nonintervention accord. Instead, they continued secretly to send large quantities of men and materials to the insurgents. Despairingly, Britain and France appealed on Christmas Day to Moscow, Berlin, and Rome, urging greater fidelity to the nonintervention accord. All replied affirmatively but there is no indication that the violations ceased or even lessened. Indeed, not until 15 February 1937, when tens of thousands of Italian soldiers were serving in Spain, did the Duce issue an order prohibiting all Italians from leaving Italy to serve in the war.¹

These violations of the accord were so clearly authentic and so flagrant that the Committee endeavored in April 1937 to set up a naval patrol and a system of frontier supervision. Following alleged attacks upon German patrol cruisers, the Nazi and the Italian governments withdrew temporarily in June from patrol coöperation and later the Portuguese government, which was sympathetic toward General Franco, withdrew its participation in frontier observation. Thereupon France halted its own official supervision over the Pyrenees frontier; the breakdown of nonintervention seemed almost complete.

It was in this atmosphere of confusion and insincerity that the Nonintervention Committee continued its "masterly inactivity." Nearly a year was spent in wrangling over a British proposal to substitute official observers in Spanish ports for the naval patrol, and to send commissions to Spain to supervise the withdrawal and repatriation of foreign "volunteers" which, when done, would be followed by general recognition of belligerent rights to both sides. This proposal was finally adopted in July 1938, but by that time the aid supplied to General Franco had been effective and

¹ On the work of the Nonintervention Committee, see N. J. Padelford, *International Law and Diplomacy in the Spanish Civil Strife* (New York, 1939) and F. O. Wilcox, "The Localization of the Spanish War," *American Political Science Review*, April 1938.

the victory for the rebel forces was increasingly regarded as but a matter of time.

In the meantime the contest on the diplomatic front had continued unceasingly. The British were naturally desirous of safeguarding their Mediterranean interests and of preventing too close a *rapprochement* between the two fascist dictators. Since, at the moment, Herr Hitler was apparently absorbed at home in the task of consolidating his Rhineland victory, it was Mussolini's turn to twist the tail of the British Lion. This policy, which brought added pleasure to Rome because of Britain's leading rôle in the Abyssinian sanctions, was being pursued not only in connection with secret intervention in the Spanish war but also throughout the Near East, where Italian broadcasts denouncing the perfidy of British rule were daily assailing the ears of thousands of Arabs. There were Italian troop concentrations in Libya and new air bases were being constructed in Sicily. Further, it was rumored that Italy was planning to fortify the island of Doumeirah in the Red Sea and to construct a powerful naval base at Leros in the Dodecanese Archipelago.

All in all, action was needed, and the British, realizing that a policy of drift was becoming increasingly dangerous, attempted to put a stop to the Italian nuisance. First, the British position in the Eastern Mediterranean was strengthened by a settlement with Egypt on 26 August 1936, which terminated fifteen years of bickering over the Sudan, the defense of the Suez Canal, and other moot questions. Parenthetically, it was, of course, the possible menace of Italy which caused both the British and the Egyptians to be willing to sink some of their past differences in order to reach a compromise solution. With the Egyptian problem liquidated, the British then turned directly to Rome and concluded a so-called "gentlemen's agreement," on 2 January 1937, with Signor Mussolini. By this declaration both governments agreed that "freedom of entry into, exit from, and transit through, the Mediterranean is a vital interest both to the different parts of the British Empire and to Italy, and that these interests are in no way inconsistent with each other." Both disclaimed "any desire to modify or, so far as they are concerned, to see modified the *status quo* as regards national sovereignty of territories in the Mediterranean area."

Actually, this smoothly worded document did not in any way affect the character of Anglo-Italian relations. The Duce was fully aware of the fact that the declaration did not in any way enhance the Italian position but rather that it merely confirmed the *status quo*. Indeed, its ambiguity of phraseology was such that each signatory could regard the agreement as a triumph. Having recognized the Franco government, Italy could conceivably base her pledge upon the new *status quo* or, at the very least, she could anticipate British diplomatic aid against the spread of a Communist

régime. Britain could profess to believe that Mussolini had been persuaded to guarantee support for an independent Spain.

Further evidences that the "gentlemen's agreement" had in no way altered diplomatic strategy in the Mediterranean were soon available. Italian troops continued to pour into Spain, the British inaugurated a new rearmament program, and the Duce made a tour through Libya in March 1937 during the course of which the Italian leader made an open bid for the leadership of the Arab world. It is in this light, too, that the Italo-Yugoslav agreement of 25 March 1937 must be regarded. By improving his relations with Yugoslavia, Mussolini was enabled, presumptively at least, to regard the Adriatic as a closed sea and to concentrate his naval forces elsewhere in the Mediterranean.

British irritation over these tactics was heightened in the late summer by a sudden outbreak of attacks upon Mediterranean shipping. Ship after ship was torpedoed and sunk without warning. Although the identity of these piratical submarines which preyed upon neutral merchant shipping was and is still unknown, it was generally presumed that they were Italian and that the campaign was another move in the half-veiled policy of pin-pricking the British and the French until they would be willing to make substantial concessions in order to stop these annoying tactics.

In this case the retaliatory action was speedy. Acting jointly, the British and the French invited the other powers to a conference in Nyon, Switzerland, to consider measures to abate the nuisance. Both the Italian and the German governments refused to participate, alleging that the London Non-intervention Committee was the only appropriate agency before which shipping complaints could be registered. Despite this lack of coöperation from the fascist states, the nine powers which met at Nyon authorized an Anglo-French naval patrol to attack and destroy any submarine, surface vessel, or aircraft which had illegally attacked a non-Spanish merchant vessel. Faced with this resolute policy, the attacks suddenly ceased—only to be revived sporadically during the remaining months of the war.

But if the sea was no longer safe for pirate submarines, Italy had other means of continuing her policy of blackmail. Virtually all pretense concerning Spain had been dropped and the Italian government now began the official distribution of medals to the families of soldiers who had lost their lives in the Spanish conflict. The Duce gave further warning to the democracies, first by a state visit to Berlin in September, during the course of which he proclaimed the solidarity of the two fascist powers, and later by adhering to the famous Anti-Comintern Pact, previously signed by Germany and Japan.² Finally in December the Italian government terminated its somewhat equivocal status at Geneva by announcing its withdrawal from

² For the text, see the Appendix, pp. 804-805.

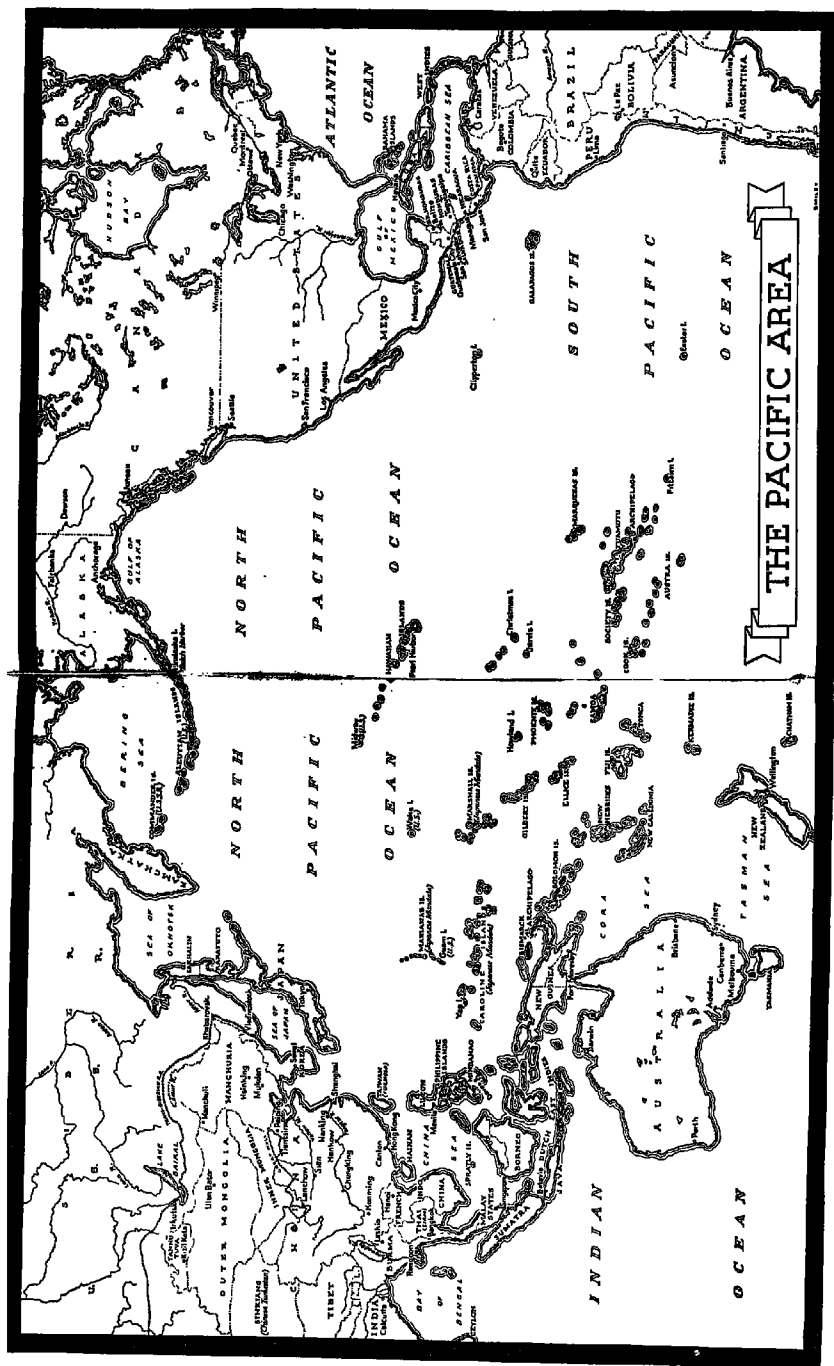


FIG. 27.—THE PACIFIC AND THE FAR EAST.
Map by J. McA. Smiley. Reproduced from *Americas Magazine: A Review of America and the Far East*.

the League of Nations. World opinion in this latter step tended to agree with Winston Churchill that the League could scarcely be weakened "by the departure of a country which had broken every engagement into which it had entered and whose spokesmen had rejoiced in mocking and insulting every principle on which the League was founded."³

Nonetheless, and despite all this taunting, the British government persisted in its efforts to bring Italy back to closer coöperation with the democratic states. Prime Minister Chamberlain clung stubbornly to his belief that the future of Europe depended upon a cessation of antagonism between the two sets of rival powers, a cessation which could be achieved only by a policy of sympathetic coöperation between the powerful democracies and the dissatisfied "Have-nots." The former might lose "face" in the process but if a war could be averted thereby, the sacrifice was justified. It should be added that in his dealings with Italy, as with Herr Hitler, the British Prime Minister seems to have failed to understand the realities of the situation. Somewhat naïvely, Mr. Chamberlain based his policy on the belief that the existing difficulties were merely the result of genuine and understandable grievances which, when dealt with fairly and honestly, would restore peaceful international coöperation. He rejected indignantly the sounder view that the fascist states were engaged in a great struggle for power, that grievances were being invented, or at least magnified, in order that they might serve as pretexts for demands, and that, accordingly, concessions would be regarded solely as an evidence of democratic weakness and willingness to yield before the fascist threats. It was on this point that Mr. Chamberlain differed from his young Foreign Secretary, Anthony Eden, for the latter mistrusted the fascist states and was resolutely opposed to a policy of concessions. Insofar as it concerned Anglo-Italian relations and the Spanish war, Eden's point of view was fortified by the obvious Italian uneasiness over the growing Nazi pressure upon the Schuschnigg régime in Austria. Mr. Eden held, and later events justified his contention, that there were more divisive than unifying factors in Germano-Italian relations, and that the two would coöperate only so long as their united front would be powerful enough to force concessions peacefully from the *status quo* powers. So wide was this divergence of opinion that the immediate issue—the acceptance by Italy of a new British formula for the withdrawal of "volunteers" from Spain—was of secondary importance, and Mr. Eden resigned, 20 February 1938, even before the affirmative Italian reply was received in London.

With the last obstacle removed by Eden's departure Mr. Chamberlain was free to drive ahead with his chosen policy of "appeasement." As far as Italy was concerned, the Fates were kind to the British Prime Minister,

³ In the House of Commons, 21 December 1937.

for the Nazi absorption of Austria which came with dramatic suddenness a fortnight later on 12 March 1938 caused such profound misgivings throughout Italy that Mussolini was genuinely eager to offset the Nazi success by an improvement in Anglo-Italian relations.⁴ The result, the first positive result of appeasement, was a new agreement, signed at Rome on 16 April 1938, which went far beyond the vague terms of the "gentlemen's agreement" of the year before.⁵ The earlier agreement was reaffirmed. The parties agreed to exchange information on their respective troop movements in North African territories; they agreed to refrain from air or naval base construction in the eastern half of the Mediterranean (East of 19° E) without notifying each other; they agreed to respect the sovereignty of, and to refrain from seeking any favored position in, Saudi Arabia, and to ban propaganda injurious to each other. Great Britain was assured that Italy would not impede the use of Lake Tsana's water so as to interfere with Sudanese irrigation and both parties agreed to respect the International Convention of 1888 guaranteeing that the Suez Canal would be kept open both in peace and in war. In accompanying letters, Great Britain insisted that the agreement could not enter into force until the final and satisfactory settlement of the Spanish question, and in order to encourage Italy to comply with this demand, Mr. Chamberlain agreed to take steps at Geneva to clear the way for general recognition of the Ethiopian conquest. In turn, an Italian letter gave assurances of respect for Spanish independence and a categorical promise to withdraw all troops and material at the end of the war.

In truth, it must be admitted that this new agreement did not materially alter matters. Since it did little more than confirm the existing state of affairs, it failed to bring genuine appeasement. Signor Mussolini now had a trump card which he could play against Hitler, but he was careful to retain the axis tie-up for possible use against Chamberlain. Thus, when Franco failed to win the anticipated victory in Spain and when Britain clung stubbornly to its position that the Spanish situation must be liquidated before the agreement could go into effect, Signor Mussolini countered by tendering an impressive reception to Herr Hitler when the latter visited Italy in May. Clearly, the British gestures had failed to have any effect upon the complicated struggle for power in the Mediterranean.

Broadly speaking, the issues of the Spanish war tended to become lost in this maze of diplomatic maneuvering. By midsummer the British control scheme, proposed a year earlier, had been adopted by the Nonintervention Committee and the machinery was hastily set up. Foreign volunteers in the two armies were to be counted and after their repatriation had been

⁴ On the conquest of Austria, see pp. 649-654, *infra*.

⁵ Cmd. 5726.

effectively started, belligerent rights were to be granted both sides. Although the Spanish government accepted this scheme, it was rejected in August by General Franco, who demanded recognition of belligerent rights as a condition precedent to the withdrawal of any of his foreign troops. The Spanish government voluntarily began the withdrawal of all its foreign troops in October but Franco remained obdurate, merely exchanging some of his Italian troops for fresh ones from the same country.

The end was approaching rapidly. The Munich success in September emboldened the dictators, weakened France, and enabled Chamberlain to push ahead with his policy of appeasement. Despite Italy's noncompliance with British demands, the Anglo-Italian agreement entered into effect in November. Exhausted by its gigantic effort to wage a war virtually unaided by foreign supplies, the Spanish government was unable to withstand the renewed vigor of the Franco offensive. In January 1939, Barcelona surrendered and with it went all the Catalan sea coast. Two months more and the Spanish ordeal was over. Amid shocking scenes of retributive mass-executions the Franco régime established itself and began to write a new chapter in Spanish history. By April most of the powers, including Britain, France, and the United States, had accepted the *fait accompli* by granting diplomatic recognition to the new government, while the Anglo-French bloc busied itself in an effort to undermine Italo-German influence by offers of assistance to Europe's newest fascist dictator.⁶

AGGRESSION MOVES EASTWARD: THE SINO-JAPANESE WAR

The truce which had brought the Manchurian struggle to a conclusion in the spring of 1933 left both antagonists in a state of confusion. In China there were some who believed that Japan would be satisfied with the victory in the North and would soon settle back into a policy of commercial coöperation from which any hint of predatory militarism would be excluded. Others avowed their belief in the underlying and ultimate aim of Japan to obtain political hegemony in one form or another over all of Eastern Asia. The first group counseled an acceptance of the loss of Manchuria and an attempt at an honest economic *rapprochement* with Japan. Those who held the second view insisted that the sands were running out, that Japan would strike again as soon as circumstances were propitious, and that, accordingly, China must make a heroic effort to terminate internal

⁶ For further reading, see H. Matthews, *Two Wars and More to Come* (New York, 1938), F. Jellinek, *The Civil War in Spain* (London, 1938), F. Manuel, *The Politics of Modern Spain* (New York, 1938), and The Spanish White Book, *The Italian Invasion of Spain, Official Documents and Papers Seized from Italian Units in Action at Guadalajara* (Washington, D. C., 1937).

dissension and to gird herself for an eventual and inevitable conflict, seizing, the while, every available opportunity to gain time by a policy of moderation and concessions. It is needless to say that the second view was far more generally held than the first.

Japan also suffered from division and confusion. Commercial interests were harassed by the continuing effects of the depression and by the high level of taxation resulting from the Manchurian conquest and the subsequent intensification of the rearmament program. Unfortunately, the political structure of Japan did not permit these saner voices to outweigh those of the militarists who, flushed with one resounding success, were eagerly prepared to risk all in another major blow which, it was argued, had to be delivered before the rapid progress of unification in China should have reached such a stage as to make future Japanese aggression well-nigh impossible. It was now or never, according to the militarists, and their preference for the first alternative was strengthened by the fact that the collective system, which had been unable to restrain their activities in Manchuria, was now more than ever discredited. Moreover, the time seemed especially propitious because the resurgence of German power, together with the ramifications of the Spanish civil conflict, presumably had immobilized the British and the French to the point that they would be unable effectively to protect their existing rights and interests in China. The possibility of American interference could be discounted because of the manifold technical and doctrinal obstacles, and there was no other power which had to be considered.

It would be unfair to place upon the militarist party all responsibility for the decision in favor of further aggression. The deteriorating economic situation must have caused many industrialists to look with favor upon a plan which, if successfully executed, would assure a virtual Japanese monopoly over the vast and potentially important Chinese market, as well as a preferential access to all Chinese minerals and other industrial raw materials. In other words, the Japanese solution to the Chinese problem presented many aspects which will have a familiar ring to all students of the imperialist process.

The "now or never" argument of the Japanese militarists was not without its elements of plausibility. Chinese unity was growing rapidly. Generalissimo Chiang Kai-shek had compelled the Communist forces to abandon their position in Kiangsi and to undertake the historic six-thousand mile trek to Shensi, where they hoped to be free to consolidate their forces and regain their strength without menace from the Nationalist government. Although General Chang Hsueh-liang, son of the late Manchurian war lord, Marshal Chang Tso-lin, had been harassing the Communists with his 130,000 picked troops, he had gradually come to believe that the Com-

munists were sincere in their advocacy of internal unity in face of the Japanese menace and that their view concerning the urgency of unification was completely sound. By the fall of 1936 an understanding had been reached between Chang, the Communists, and General Yang Hu-cheng, who commanded some 40,000 men. If Chiang Kai-shek could be brought into this agreement, virtually a complete unity of policy concerning Japan could be secured. But the Nationalist chief seemed relentless in his determination to evade the Japanese struggle, if possible, until he had achieved a first semblance of unity by destroying the Communists. Only after the famous incident in December, when he was virtually kidnapped by Chang Hsueh-Liang and forced to give serious consideration and ultimate consent to the views of this powerful coalition, did he abandon this cherished plan and agreed to accept Communist cooperation against Japan. By the early summer of 1937 Chiang Kai-shek had managed to convince his fellow Kuomintang (Nationalist) party leaders of the wisdom of this course and a definite understanding had been reached. Not for many years, even decades, had China presented such military unity as at this time.⁷ Even in North China, where Japanese influence had persistently supported a movement for autonomy, public opinion began to veer more and more toward closer unity with the Nationalist government of Nanking. Specifically, this trend was manifested by a growing resistance, on the part of the Chinese leaders in the Hopei-Chahar Political Council, to Japanese plans for economic exploitation of these provinces.

It is in this general setting that the Japanese decision to resort to force must be understood. As their leaders viewed the situation, this dangerous trend in North China must be blocked by drastic action. If such action should spread to other parts of China, so much the better, for an equally favorable opportunity might never come again.

The technique used in launching hostilities followed a time-tried formula to be found in the handbook of all aggressors. A clash was provoked between Chinese and Japanese troops, 7 July 1937, at the strategic town of Lukouchiao just outside Peiping. Since this was the point of closest convergence outside the city of the Peiping-Tientsin and the Peiping-Hankow railway lines, it is apparent that the location of the "incident" was carefully chosen in order to provide Japan with an opportunity for the complete isolation of the former capital city. The fact that Japanese troops had no more legal right in Lukouchiao than Italian troops had in Wal Wal is an indication of the similarity in the technique of aggression used by the

⁷ On these developments, see E. Snow, *Red Star Over China* (New York, 1938) and Nym Wales, *Inside Red China* (New York, 1939) for studies of the Communist forces and doctrine; T. A. Bisson, *Japan in China* (New York, 1938) has a factual account of the war in its early stages; and J. Gunther, *Inside Asia* (New York, 1939) provides good "atmospheric" reading.

two powers. The Chinese were promptly charged with aggressive intentions and, despite every effort on the part of the former to placate the Japanese, troops and supplies were hurried from Japan and large-scale military operations inaugurated before the end of the month. Having no alternative other than destruction, the Chinese Nationalist government accepted the challenge and prepared to resist the Nipponese aggressors by every means in its power.

The Japanese had judged rightly in concluding that there would be little effective interference from other powers. The press of the Western states deplored the outbreak of hostilities and placed the blame upon Japan but there was no immediate governmental action. China appealed to the League of Nations, 12 September 1937, invoking Articles 10, 11, and 17 of the Covenant, but the Council merely referred the appeal to the Far Eastern Committee of the Assembly. This Committee adopted a resolution condemning the aerial bombardment of open towns by Japan. It was at this juncture, when the Committee was considering possibilities of further action, that President Roosevelt made his famous Chicago "quarantine" speech, 5 October 1937, in which he denounced the sacrifice of women and children "to a greed for power and supremacy which is devoid of all sense of justice and humane consideration," and declared that "the peace-loving nations must make a concerted effort in opposition to those violations of treaties and those ignorings of humane instincts which today are creating a state of international anarchy and instability." Thus encouraged by the United States, the Committee reported that Japanese actions were "out of all proportion to the incident that occasioned the conflict" and that Japan had violated both the Briand-Kellogg Pact and the Nine-Power Treaty. The Assembly approved this report, advocated consultation among the other signatories of the nine-power pact, and recommended that all League powers (1) take care to refrain from any action which might weaken China, and (2) consider means by which they could extend individual aid to China. The Council concurred in this verbal support by a similar action. Clearly, the League, which had been powerless in the Manchurian affair, was even less able now to come effectively to the aid of a victim of aggression in so remote an area.

The League, however, did continue to follow the course of hostilities in the Far East. The Council reiterated its hope, 2 February and 14 May 1938, that individual members would aid China as best they could. In September 1938 China made a renewed appeal to the League for aid. Japan having declined to accept temporary membership under Article 17 for the purposes of the dispute, the Council authorized and urged all members to apply individual sanctions under Article 16. This request was renewed by a Council resolution of 27 May 1939.

It seemed, temporarily, as if aid might come from another source. Following the lead of the Chicago speech, the American State Department had officially condemned Japan as a violator of its treaty obligations, and, in addition, had expressed its willingness to take part in a conference of the other signatories to the Nine-Power Treaty. Before long, however, it was obvious that little by way of positive action could be expected from Washington. Public reaction to the Chicago speech had been sharply critical and it was becoming increasingly evident that American sympathy for China would not go far enough to risk any actual embroilment with Japan.

The situation was sharpened by the defiant attitude of Japan. A statement by the Foreign Office in reply to the joint League-United States condemnation asserted that "the Chinese government, lending themselves to Communist intrigue, have brought about the present hostilities by persistent and malicious anti-Japanese measures and by their attempt to do away with the rights and vital interests of Japan in China by force of arms. It is they who should be deemed a violator of the treaty for the renunciation of war. . . ." ⁸

Under such circumstances it is not surprising that the Conference which met at Brussels in November 1937 should have been a perfunctory and futile affair. Italy, continuing her policy of baiting the other powers, chose this occasion to join the Anti-Comintern Pact and the Italian representatives at Brussels became scarcely more than mouthpieces for Japan. While China begged for action, the United States, France, and Great Britain talked vaguely of the need for mediation on a just and equitable basis. This plea was scorned by Japan, and the Conference closed with a cautious declaration reaffirming the validity of the Nine-Power Treaty and asserting the legitimacy of the interests of the other powers in Far Eastern developments. There was no talk of sanctions and even the condemnation of Japan's action was carefully inferential. Had the Conference been designed to give a model demonstration of the difficulties of *ad hoc* collective action, it could not have been more successful.

It was not long before this undeclared war in the Far East began to exhibit some of the characteristics of the Spanish conflict. Soviet Russia had come to the aid of China almost from the beginning of hostilities, a Soviet-Chinese nonaggression treaty being signed in August 1937. German military advisers and Italian air instructors were recalled from China, while both axis powers proclaimed their hope that Japan would win and thus check the spreading virus of Bolshevism in Asia. Except, however, for an Italo-Japanese trade pact, there were few tangible evidences of axis support, for Germany in particular was not without apprehension lest a complete

⁸ For the text, see S. S. Jones and D. P. Myers, *op. cit.*, pp. 163-64.

Japanese victory might deprive the Reich of valuable Chinese trade possibilities.

The democracies watched the Japanese drive with even greater apprehension because it was inevitable that their interests, i.e., the lives and property of their nationals in China, would be endangered. This was true also of their larger concerns relative to trade and political influence for it was quite apparent that Japan had launched a campaign designed to culminate in complete hegemony over all China, probably by the proliferation of Japanese-dominated states, *à la Manchukuo*. If successful, this would mean the end of all Western interests in China—the Open Door would be slammed shut and guarded by a Japanese sentry. In the absence of any collective action there was no possible policy save that of individual protests and demands for the respect of existing rights. Thus, when the British ambassador to China was attacked in his automobile and severely wounded by fire from Japanese aircraft, the London government demanded and received a full apology. When the American gunboat, "Panay," was bombed and sunk in the Yangtze River, 5 December 1937, the American government in its turn received an official apology and full indemnity.⁹ But incidents continued, were followed by protests, and these in turn were soon followed by new incidents—all inescapable results of such a war on Chinese soil.

In time, the French and British, absorbed in the European war, were compelled to modify the vigor of their protests and even to withdraw some of their troops from North China. The United States, however, made up for this by increasingly blunt warnings to Japan that American rights must be respected. Following a trip to Washington, D. C., Ambassador Grew delivered a particularly plain speech in October 1939 voicing emphatic American disapproval of Japanese policy.

In part, at least, this increasing concern of the United States can be explained by the growing candor with which the Japanese were discussing their ultimate objective in the Far East. This was, according to official pronouncement, "a new order which will insure the permanent stability of East Asia. . . . This new order has for its foundation a tripartite relationship of mutual aid and coordination between Japan, Manchukuo and China in political, economic, cultural, and other fields. Its object is to secure international justice, to perfect the joint defense against Communism and to create a new culture and realize a close economic cohesion throughout East Asia."¹⁰ Such a policy, if successful, would lead to the complete extinction of foreign rights in China and to the closing off of the Chinese market.

Equally futile were foreign protests over the appalling civilian suffering

⁹ For the correspondence, see *Ibid.*, pp. 194-205.

¹⁰ Official Government statement, 3 November 1938.

which resulted from the invasion. There can be little doubt that Japan deliberately sought to break Chinese morale by wholesale devastation of property and by air attacks upon defenseless cities. Such a scheme had worked in Ethiopia but now its only result was to stiffen Chinese resistance and to blacken the Japanese case before a world sickened by what seemed little more than an orgy of cruelty visited upon countless innocent civilians. As city after city fell to the invaders, the wanton destruction of property and the infliction of suffering upon the inhabitants brought down upon Japan a storm of world-wide, though ineffective, condemnation. In many countries, popular indignation was expressed by a consumer's boycott on all Japanese goods and by demands for an embargo on the shipment of war materials to Japan. So powerful did this popular movement become in the United States that Congress denounced the Japanese-American commercial treaty 26 July 1939 and threatened at the expiration of the required six months' delay to place an embargo on shipments of war materials to that country. Further, the American State Department placed a "moral embargo" on shipments of aircraft to Japan by enlisting the coöperation of all American manufacturers, warning them that "the Department would with great regret issue any licenses authorizing exportation, direct or indirect, of any aircraft . . . parts . . . aerial bombs or torpedoes to countries the armed forces of which are making use of airplanes for attack upon civilian populations." The government also assisted Chinese purchases of American goods by using the Export-Import Bank to facilitate the necessary credit arrangements and by refusing to invoke the neutrality law.¹¹

Militarily, the invasion did not proceed as rapidly or as smoothly as the Japanese high command must have anticipated. The Chinese adopted the tactics of an orderly retreat, making Japanese forces pay as heavily as possible for the ground gained, in order to dissipate the invader's military energies, increase the costs and difficulties, and facilitate guerilla warfare. Although by the date of writing (January 1940) most of China's great cities—Shanghai, Nanking, Hankow, Canton, and many others—are in Japanese hands, there is little evidence that the Chinese strength is failing—a truly remarkable fact in view of the terrific costs in man power and treasure to which the defenders have been subjected. The rapidity of the Japanese advance in 1938 slowed down strikingly in 1939, while 1940 opened with many indications that the excessive financial strain, coupled with a signal lack of military success, was beginning to create a considerable degree of dissension in Tokyo. It seemed not unlikely that Japan's position might cause her to look with favor upon some kind of face-saving compromise. Victory may not always go to the aggressor.

¹¹ See pp. 707 ff., *infra*.

HITLER COMPLETES
THE "ANSCHLUSS"

Throughout the entire period from the signing of the Peace Treaties of 1919 to the rise of the Nazis the question of *Anschluss*, or Austro-German union, has troubled the chancelleries of Europe. Although the Peace Treaties had expressly forbidden these two states to unite, sentiment in favor of such a move never wholly disappeared in either country. At the time of the German inflation in 1923, the Austrians, who were then enjoying the stimulating effects of financial aid from the League of Nations, were heartily glad that they had been forbidden to share in the collapse of their great neighbor. Later, however, as the effects of the League assistance began to wear off and the evils inherent in the Austrian economic situation began to reassert themselves, the desire for union flourished once more in Vienna. Naturally enough, it was encouraged by what seemed to be the rapid German recovery following the adoption of the Dawes plan and the consequent flow of foreign investment capital into the Reich. No overt attempts to achieve a union were taken at this time, but there was a certain amount of preparatory work evidenced by legislative and administrative coördination, and there was continuous talk in both countries as to the desirability of greater political unity.

The first move to test the strength of the treaty prohibition came in the spring of 1931 when the two countries, suffering acutely under the blows of the depression, made a rather maladroit effort to set up a customs union. The explanation that this step was merely a contribution to the currently popular movement for a European union did not in any way satisfy France or the Little Entente powers, which insisted that the legality of the project be examined and passed upon by the World Court. By an eight-to-seven vote the Court held, 5 September 1931, that the contemplated union was inconsistent with the existing legal obligations of the two states. Anticipating this opinion, which was greatly criticized in many quarters, the two states hurriedly announced the abandonment of the project just *forty-eight hours* before the publication of the Court ruling.¹²

In this desperate period, 1931-32, when both Austria and Germany were struggling to avert collapse, *Anschluss* sentiment was pushed out of the limelight by the grimmer necessities of the time. Austria sought another foreign loan and was finally offered \$42,000,000 on condition that she renew her obligation not to seek any form of union with Germany for the twenty-year period during which this loan was to run. Despite the plight of the country, popular antagonism toward this political provision

¹² See p. 567, *infra*.

was so great that Chancellor Dollfuss managed to get parliamentary approval for the loan only by the narrow margin of eighty-two to eighty votes.

Into this atmosphere of political discontent and economic desperation the advent of Hitler to power brought a further element of confusion. It was generally assumed that, being of Austrian birth, the Nazi *Führer* would regard the union of the two countries as one of the primary objectives of his foreign policy. Within Austria, however, the "vest-pocket" chancellor, Dollfuss, took charge of the situation firmly, made himself a virtual dictator, and let it be known that Austria had no wish to be swallowed up by the Nazi octopus. This did not mean that Austria had turned her back upon the *Anschluss* principle. It meant, rather, that Nazi techniques and doctrines were so unpalatable to many Austrians that any governmental policy other than that of strict independence would have torn the country asunder and in all probability plunged it into fratricidal strife.

Also, there were other matters to be considered. Mussolini had no wish to see the Swastika banner planted immediately north of the Brenner Pass where it might cause him additional difficulties with his Austrian minority in the South Tyrol. Moreover, the Italian dictator, alarmed by the possibility that Nazi influence might spread throughout southeastern Europe, was more than willing to help maintain any convenient barriers against this new menace. In Austria he saw such a barrier, and the spring of 1934 brought the signature of the Rome Protocols which created closer economic, and thereby political, ties between Italy, Austria, and Hungary.

Backed by this powerful friend, Herr Dollfuss took all available steps to check Nazi propaganda and the growth of Nazi influence in Austria. German agents were expelled from the country, the Nazi uniform, and later the party itself, was forbidden, and the Austrian Nazis were deprived of all use of the radio. Hitler replied by a barrage of propaganda dropped from airplanes, by radio broadcasts from Munich, and by the use of economic pressure dramatically signalized by the imposition of a thousand-mark charge for an Austrian visa. As this tension mounted month by month during the winter of 1933-34, the Nazis undoubtedly gained many new adherents from the remnants of the Viennese Socialist party which was destroyed, in February 1934, by the Austrian army.

In time the tension became unbearably great and the Nazis determined to attempt a *coup d'état*. Early in the afternoon of 25 July 1934 a band of Nazis captured the Vienna radio station and broadcast the announcement that the Dollfuss government had resigned. Simultaneously another band seized the chancellery and wounded Herr Dollfuss, who was callously allowed to bleed to death unattended by physician or priest. But the expected rising of the country, on which the Nazis had based all their hopes, failed

to materialize. Government troops besieged the chancellery, forced the conspirators to surrender, and easily put down the few sporadic risings that did take place. To support the government, Mussolini hurried thousands of troops to the Brenner Pass and let it be known that the frontier would be crossed in case Austrian independence should be threatened by any other power.

Faced with the double disadvantage of popular apathy in Austria and the prospect of Italian intervention, the Berlin government made haste to disavow the entire affair, express its great "regret" over the assassination, and dispatch Herr von Papen as a special "good-will" minister to Vienna. The coup had failed miserably, and Herr Hitler had to bide his time until a more favorable opportunity should arise.¹³

In the meantime, and in accordance with established Nazi technique, the German chancellor made every effort to disarm opposition by a profusion of statements concerning his good intentions toward Austria. Britain, France, and Italy had given a strong warning, in a three-power declaration, 27 September 1934, that "the necessity of maintaining the independence and integrity of Austria . . . will continue to inspire their common policy," a statement which was reaffirmed at the Stresa Conference in the following March. Although Italy soon became embroiled in Ethiopia, the other powers, including the Schuschnigg government in Austria, had to be mollified and placed off their guard. This was first done by Hitler's speech of 21 May 1935 in which he declared specifically that "Germany neither intends nor wishes to interfere in the internal affairs of Austria, to annex Austria, or to conclude an *Anschluss*." Again in July 1936 Hitler took advantage of Italian irritation over the Franco-British rôle in applying sanctions and over the Montreux Conference which had liberalized the régime over the Dardanelles. He therefore endeavored to allay Italian fears—and thus pave the way for the Rome-Berlin Axis—by concluding a new agreement with Austria. This document, dated 11 July 1936, recognized "the full sovereignty of the Austrian Federal State" and bound Berlin not to support the Austrian Nazi party. Herr Schuschnigg took this bait and hailed the agreement as a diplomatic victory which provided a foundation stone for the future peaceful coöperation of the two states, declaring jubilantly that "the problem of Austria's independence has been eliminated."¹⁴

Actually, these categorical assurances did not in any way affect the underlying pattern of Nazi policy. Once Herr Hitler had won his bloodless victories for German rearmament and the reoccupation of the Rhineland,

¹³ On this phase of Austro-German relations, see the official Austrian publication, *The Death of Dollfuss, An Official History of the Revolt of July, 1934, in Austria* (Eng. trans., London, 1935).

¹⁴ See his statement in *The New York Times*, 17 July 1936.

he became increasingly confident that neither France nor Britain would take any active steps to block the German annexation of Austria. Italy, of course, would be hostile to such a move, but the Duce was deeply enmeshed in axis politics and would not be likely again to threaten the use of force against his new partner, particularly if he were preoccupied elsewhere. In a sense, the last possible danger was removed when Prime Minister Chamberlain began his active and ill-fated campaign for appeasement. Thereafter it was necessary only to wait for an appropriate time.

This time came in February 1938 when, with all roads clear, including the removal of army opposition by a drastic shake-up of its higher personnel, pressure could be put upon the stiff-necked Austrian cabinet. On 12 February Chancellor Schuschnigg was summoned to confer with Hitler at Berchtesgaden. Exactly what transpired at that famous interview is not yet known, but it is clear that extreme pressure must have been used, for when the chancellor regained Vienna he lost no time in appointing Dr. Seyss-Inquart, whose pro-Nazi sympathies were notorious, to the strategically important post of Minister of the Interior where he would control the police system of the country. At the same time, many political prisoners were released and the proscription of the Nazi party was rescinded.

Events now came thick and fast. The Austrian Nazis, feeling their hour was at hand, could scarcely be restrained. On 20 February, Anthony Eden's resignation of his post as Foreign Secretary in London removed the last vestige of a possibility that Britain would interest herself in the fate of Austria. Battling desperately to ward off the threatened blow, Schuschnigg announced a national plebiscite on the question of Austrian independence. In Berlin it was recognized that the plebiscite would assuredly produce an anti-Nazi majority, especially since the text on the ballot was worded in a somewhat tendentious manner.¹⁵ Providentially, within twenty-four hours after this plebiscite announcement, the cabinet in Paris fell and France was left for days without a government. There remained only Italy—an Italy so deeply involved in Spain that her strength was virtually immobilized. In every way it seemed as if the Fates were playing directly into German hands.

Within a few hours after the resignation of the French government, Hitler delivered his ultimatum to Vienna: the plebiscite must be called off or German troops would cross the frontier and overrun the country. In preparation for this action the German press had concentrated its attention upon Austria for days, carrying on a violent campaign of atrocity stories supported by lurid accounts of tales told by Austrian refugees who

¹⁵ The voters were asked if they were "for a free and German Austria, independent and socially harmonious, Christian and united. For peace and work and the equality of all who profess their faith in [our] people and Fatherland."

had fled to the Reich for protection. A second ultimatum demanded the immediate resignation of the Austrian chancellor.

This time the coup could not fail. Herr Schuschnigg made a desperate but vain effort to procure assurances of support from other capitals. Failing this, he made a final farewell broadcast, denying indignantly the Nazi atrocity stories and announcing the abandonment of the plebiscite and his own resignation. But compliance with the ultimatums could not save an isolated and helpless Austria. The reconstructed cabinet obediently requested German intervention to preserve order, and within a few hours hundreds of thousands of German troops, waiting at the frontier, poured into Austria. Herr Schuschnigg and many of his colleagues were placed under arrest; previously prepared pamphlets rained down from Nazi airplanes upon Austrian cities; Nazi secret police began the arrest of thousands of prominent Austrians who had led the opposition; the following evening Herr Hitler crossed the border to receive an official welcome from Seyss-Inquart and his coterie. A fitting climax was reached when Herr Himmler, chief of the Nazi secret police, hastened to lay a wreath upon the grave of the confessed murderer of Chancellor Dollfuss.

No time was lost. Before another day had elapsed the Nazis published a brief decree, the first article of which contained a single sentence: "Austria is a state of the German Reich." A month later, when the Nazi purge throughout Austria had been completed, a plebiscite on the union gave a final farcical touch of legality to the annexation.¹⁶ Although more than 99 per cent of those who marched obediently to the polls approved the union, the outside world was far from convinced that the vote actually represented an honest and uncolored expression of Austrian opinion.

The Nazification of the country was now carried out with a speed not unmingled with brutality. The four-year plan was extended to what was now called the *Ost-mark*; the German Reichsbank took control of Austrian currency, thereby gaining about \$100 millions in gold and foreign exchange; anti-Jewish laws and regulations were applied mercilessly. Vienna, once a center of European culture and the capital of a great Empire, was reduced to the status of a provincial city.

Once again Hitler's technique had operated perfectly. There was grumbling in France and England but not even the suggestion of official reprisals. In Italy the coup had caused much popular and official indignation. Hitler made an effort to smooth over this situation by reminding Italy of his support during the sanctions period and by immediate promises to respect scrupulously the new Italo-German frontier. Ostensibly at least these assurances were accepted by Italy, but the Duce countered by concluding a new

¹⁶ As a test of Austrian opinion the vote was absurd because the plebiscite was taken over the entire Reich, Austria included.

agreement with Great Britain and he let it be known that he was far from pleased by this action of his axis partner. He may never have trusted Hitler before, but it seems obvious that his distrust was greatly intensified by this enhancement of German strength in the region which Italy had hoped to keep as her own private preserve.¹⁷

The strategic advantages gained by Germany through the annexation of Austria were considerable. Shortly before his death, Sir Austen Chamberlain had given warning that "the independence of Austria is a key position. If Austria perishes, Czechoslovakia becomes indefensible. Then the whole of the Balkans will be submitted to a gigantic new influence."¹⁸ It was apparent at once that this warning was justified, for Czechoslovakia was now all but surrounded by the Swastika-bannered forces. The gates to the Hungarian plain were open, and Germany was astride the Brenner, ready equally to look toward Italy or the Balkans. From this time on, Germany was a force of undeniably great importance in all the affairs of south-eastern Europe. Best of all, perhaps, Herr Hitler had demonstrated to his own satisfaction that his carefully elaborated technique of aggression could be used to acquire control over territory beyond the 1914 frontiers of the German Reich.

¹⁷ For further reading on the Austrian annexation, see G. E. R. Gedy, *Betrayal in Central Europe* (New York, 1939); Kurt Schuschnigg, *My Austria* (New York, 1938); W. Frischauer, *Twilight in Vienna* (Boston, 1938); and M. Fuchs, *Showdown in Vienna: The Death of Austria* (New York, 1939).

¹⁸ Quoted in D. Reed, *Disgrace Abounding* (London, 1939), p. 146.

XXVIII

THE END OF APPEASEMENT—AND AFTER

THE TRAGEDY OF CZECHOSLOVAKIA

The annexation of Austria had been a test of the Nazi technique of aggression and of the willingness of the democracies to avert the danger of war by accepting a diplomatic defeat involving an unwelcome territorial change. So completely successful was it that a far more cautious gambler than Herr Hitler might have been tempted to enter the game again—and for higher stakes. Indeed, it would have been strange if one so devoted to the foreign policy of lifting Germany to the heights of power had not attempted to push on to greater victories while his opponents were still in a conciliatory mood.

Czechoslovakia was next in this grim queue. Relations between Germany and this war-created neighbor to the southeast had never been cordial. When Czechoslovakia had been established, the map makers had been faced with the necessity of choosing between a strategic frontier and an ethnic frontier for the northwest border of the new state. Since they realized that a proper ethnic frontier would still leave many "islands" of Germans in Bohemia and, further, that a truly independent Czechoslovakia would be an impossibility if Germany could look down upon the Bohemian plains from the crests of the Sudetic Mountains, it is not surprising that the treaty makers decided in favor of the strategic frontier even though this action did increase the German minority in Czechoslovakia to nearly three millions. As a safeguard the new state was required to sign a minorities treaty assuring these Germans equality of treatment and the full protection of the law, a guarantee which was carefully and explicitly embodied in the Czechoslovak Constitution of 1920.

In the early years after the War there were some difficulties, for the Czechs who had been ruled by Austria as a minority for three hundred years now found themselves ruling a minority of their own former masters. The surprising thing is that the difficulties were not greater and it is a testimony to the wisdom of President Masaryk and his foreign minister,

Dr. Benes, that they realized from the beginning the urgent necessity of pacifying and winning the support of this large minority group.¹ In time all but the extremist elements among the Sudeten Germans became reconciled to the situation and after the Czech-German treaty of arbitration in 1925 Sudeten political coöperation with the Prague authorities increased in a gratifying fashion. In fact, it seems fair to conclude that this extremely delicate problem was being solved to the satisfaction of all except a small group of agitators and that the Sudeten problem soon would have disappeared entirely. Unquestionably, the Czechoslovak minorities were treated as equitably as any other European minority group.

This process of adjustment was given a serious setback by the depression. The Sudetenland was primarily industrial and, as exports declined and production lessened, its inhabitants began to suffer relatively more than those of the Czech and Slovak agricultural regions to the eastward. Under those circumstances, and despite the relief efforts of the Prague authorities, it was easy for agitators to exploit the sufferings of the people and to make them believe that they were being victimized and discriminated against by their rulers.

This was the situation the Nazis found when they gained power in 1933 and they proceeded systematically to exploit it to their advantage. A Sudeten German (read Nazi) party was founded and its leader, Konrad Henlein, began to fulminate against the Prague authorities in his best pseudo-Hitlerian manner.² Both funds and tactical advice came from Munich, where an obedient press was already sounding the first notes of an anti-Czech overture of hate. Thus amply supported, the Sudeten movement continued to grow until by 1935, it had come to control nearly two-thirds of the German vote. Its militancy against the Czechoslovak government increased sharply—as did that in Germany—after the conclusion of the Czech-U.S.S.R. mutual assistance pact in 1935. From that time on the Nazi leaders and their Sudeten henchmen professed to regard the Czechoslovak government as a servile tool in the hands of Moscow. Especial vituperation was heaped upon Dr. Benes, who had succeeded the aged Masaryk to the presidency in 1935. His patient efforts to conciliate Sudeten opposition were greeted with derision and Henlein responded to every government concession by stiffening his demands. Clearly, a mutually satisfactory agreement concerning governmental policy in the Sudetenland was the last thing which Henlein or his Nazi masters desired. It was to their

¹ For a brief survey of the minority problem, see K. Falk, "Strife in Czechoslovakia: The German Minority Question," *Foreign Policy Reports*, 15 March 1938.

² For an early statement by Herr Henlein, denying any Nazi connections, see his Chatham House address, "The German Minority in Czechoslovakia," *International Affairs*, July-August, 1936.

interest to prevent an agreement since in this way they could keep the borderland situation in such a continuous ferment that it could be used as a pretext for drastic action at any convenient time. Moreover, the longer it lasted, the more impressive it could be made to appear because anti-Nazi Sudeten Germans, fearing reprisals if the Nazis should gain greater political power, became progressively more quiet, thus making it possible for the German press to claim that the Sudeten minority was united in determined opposition to Prague.

To all this, President Benes responded by a policy of mingled persuasion and firmness. Persons suspected of being German agents were turned back at the frontier and consignments of small arms destined for the Sudeten leaders were seized regularly by the custom officials. Every effort was made to offer reasonable concessions and to take all possible precautions against any policy or any administrative action which could be distorted into an "incident" and a pretext for an ultimatum. At the same time, the government held firmly to its French and Russian mutual assistance pacts and strengthened the powerful and well-disciplined Czechoslovak army. No government could have done more.

From this brief summary it can be seen that Hitler, now firmly ensconced in Austria, was in an excellent position by the spring of 1938 to launch a second great campaign against Prague. He had a pretext, he had a strategic advantage, for he could now attack Czechoslovakia from the unfortified Austrian frontier, and he had much to gain in terms of prestige at home and abroad by a successful application of pressure to his stubborn Czech neighbor. This time, however, the international situation was not wholly analogous to the one which had obtained in Austria. Prague had the benefit of mutual assistance treaties with France and Soviet Russia, and it could not be assumed that the other members of the Little Entente would stand by idly while their ally was being subjected to extreme pressure. Also, Austria had possessed no real military strength while the Czech army was recognized to be a first-class fighting force.

Despite these added difficulties the Nazis pushed ahead resolutely. "Incidents" multiplied and the German press increased the fury of its attack. In the Sudetenland the Nazi organization rejected in advance the so-called "nationality statute," codifying minority rights, which had been proposed by the Czechoslovak government, and Herr Henlein countered by the enunciation, 24 April 1938, of a series of demands which were so far reaching that it can be assumed that they were put forward in order to be refused. These demands included full equality in every respect between Germans and Czechs, full autonomy for the Germans in all aspects of public life, removal of all injustices done to the Sudetens since 1918, and adequate reparation for all damages, recognition of the principle that Ger-

man officials should govern German areas, and, finally, full liberty for the Germans to proclaim their Germanism and their adherence to the ideology of Germans. Further, Henlein made the bold demand that the French and Russian alliances be given up in favor of closer political and economic co-operation with the German Reich.

This preposterous demand was rejected in Prague, and the opinion developed that Hitler might use this refusal as a pretext for action. This fear was based upon an intensification of the German press campaign and the sudden concentration of troops in the Czechoslovak frontier. Warned by the fate of Austria, President Benes immediately mobilized the Czech army and let it be known that he was prepared to resist any German attack. At the same time, he was listening carefully to the official voices of Paris and London. The former assured him of French support in case he became involved in war, but both warned him to go just as far as possible in meeting Sudeten demands, thereby making it difficult for Germany to find a pretext for action. Actually, this May crisis was passed without incident. Hitler's whole technique consisted in using the threat of pressure to obtain his ends without actual resort to war. When faced with the Czech army, he avoided the issue and the German press ridiculed the idea that there had been any intention of using a threat of force against Czechoslovakia.

Nonetheless, it was generally recognized that although one crisis had been passed safely, the essential lines of conflict were unaltered and perhaps unalterable: The Sudeten party was demanding an autonomy which was tantamount to independence and the Prague government was adamant in its refusal to permit such a disintegration of the republic. German threats, via the press, were increasing while France repeatedly proclaimed her fidelity to her existing obligations. England, however, viewed this stalemate as an exceedingly dangerous block, perhaps the greatest block, to the successful furtherance of appeasement, and the British authorities were determined to put an end to it. With this in view, the British Foreign Office proposed to send a mission, headed by Lord Runciman, to Prague ostensibly to attempt to bring the Sudeten leaders and the Czech officials together and to persuade them to agree on a common program. Actually, there is good reason to believe that the British cabinet leaders had already agreed that if Germany should prove unyielding in her demand for the cession of the frontier zone, pressure should be put upon the Czechs to make them accept such an unwelcome solution. If this is true, then the real purpose of the mission was to prepare the Czechs for an ultimate sacrifice rather than to find a satisfactory compromise.³ Whether Prague feared this is not known but

³ For a discussion of this point see H. F. Armstrong, *When There Is No Peace* (New York, 1939), p. 30.

it was made plain that the British proposal was far from welcome and that the mission would be accepted with the greatest reluctance. The Chamberlain government, however, was insistent and Lord Runciman and his staff left for Prague at the beginning of August. Although the end could not be foreseen, it was obvious that from this time on the British government was deeply involved in the whole dispute. /

While this mission began to negotiate through Henlein with Hitler, the French army was strengthened until it had 1,500,000 men under arms, and the British began to strengthen the Home Fleet. These preparations would have limited any German policy in earlier days, but now the Berlin authorities had a powerful army of their own and were rushing their West-wall fortifications in the Rhineland to a hasty completion, to the end that the French army would face a German Maginot line if they attempted to come to the aid of Czechoslovakia.

The crisis developed rapidly. In his much-anticipated speech to the Nürnberg Party Congress, 12 September, Hitler officially promised aid to the Sudeten minority, saying, "if these tortured creatures cannot obtain rights and assistance by themselves, they can obtain both from us . . . The Germans in Czechoslovakia are neither defenseless nor . . . forsaken."⁴ In the Sudetenland there was so much friction between Czechs and Germans that the government declared martial law throughout the entire frontier area. From his safe refuge in Germany Henlein issued a proclamation which declared that the Czechs and Sudetens could live together no longer and that the latter demanded the right to return to the Reich. The government replied by declaring Henlein a traitor and dissolving the Sudeten German party. Germany responded by moving more troops to the frontier. The crisis had reached such intensity that it was difficult to see how any party could retreat from its advanced position without an impossible sacrifice of prestige.

Things had reached this advanced stage when Mr. Chamberlain decided to intervene in the controversy. Still pursuing his one principle of foreign policy—appeasement—the prime minister realized that the peace of Europe hung in the balance—and over a matter which in his opinion could be solved without recourse to arms, provided both parties faced the situation in a realistic manner. In all probability the British cabinet knew that France would welcome a peaceful solution even at the price of forcing Czechoslovakia to cede the frontier zone. Consequently, it was necessary only to persuade Hitler to refrain from the use of his troops until the victim could be forced to consent to the proposed vivisection. With this in mind, Mr. Chamberlain flew to Berchtesgaden in order to find out exactly what Herr Hitler regarded as his minimum demands. He found, to

⁴ *The New York Times*, 13 September 1938.

his professed surprise, that Hitler threatened immediate invasion, even at the risk of war, unless the French and British were willing to concede the peaceful transfer of the Sudeten people to the Reich. Chamberlain asked for time and hurried back to consult with his cabinet colleagues and with the French.

(The results of these conferences could have been foreseen, especially since neither the British nor the French wished to face the proclaimed alternative of war. By 19 September Prague had learned its fate: the outright cession of areas in which the Germans constituted more than 50 per cent of the population. A plebiscite was to be avoided but there would be an opportunity for population exchange following the delimitation of the new frontier by an international commission. To soften the blow, England offered to join in an international guarantee of the security of the rump state which would remain after the operation. Desperately the Prague government replied with a proposal for the settlement of the dispute by arbitration—a method provided for in the Czechoslovak-German Arbitration Treaty of 16 October 1925.⁵ This dignified proposal, which was eminently proper under the circumstances, was immediately refused in London and Paris, where both groups of political leaders had resolved to serve Hitler's cause even at the price of no small amount of national and personal humiliation. President Benes was bluntly informed that unless he accepted the Anglo-French plan of partition his country would have to face a German invasion, in which case no help would be forthcoming either from the French or the British military forces. Technically, Britain had no commitments in central Europe and this ultimatum was defensible on logical grounds, however much one may disagree with the quality of statesmanship which it seemed to display. On the other hand, France did have specific obligations and this deliberate announcement that the Daladier government did not propose to honor its pledged word caused a natural outburst of righteous indignation throughout Czechoslovakia.

This was the momentous decision which the Czech cabinet faced as the sleepy ministers gathered in the early morning hours of 21 September. An ultimatum had come, not from Berlin, but from London and Paris. Should they resist the aggressor, relying on their own strength and the possibility of help from the Soviet Union to check the German invasion until Britain and France might be drawn in, or should they give in, accept the sacrifice, and place their trust for the future in the proffered international security guarantee? Seldom have cabinet ministers in any country been called upon to choose between such dangerous alternatives.

⁵ It should be noted that, although this treaty was originally a part of the Locarno Treaties of 1925, the denunciation of the chief Locarno Treaty in 1936 had not affected the validity of this supplementary engagement.

The decision was foregone. Without the assurance of immediate French support in the west, the odds were too great and Czechoslovakia might be overrun long before effective help from any source could arrive. There was nothing to do but to surrender, accompanying the decision by a pointed reminder that the Anglo-French demands had been formulated "without previous consultation with the Czechoslovak government," and stressing the need for the elaboration of the promised international guarantee. The following day the Hodza cabinet resigned and was succeeded by one formed under the premiership of General Jan Syrový, one of the most popular of the military leaders.)

When Chamberlain presented this enforced submission to Hitler, 22 September, at the little Rhineland town of Godesberg, he found to his surprise that the Nazi leader, filled with a natural sense of triumph, had decided to increase the conditions which were to be met before he would consent to a pacific settlement. Briefly, the German chancellor now demanded the right to occupy certain territories by October 1; the immediate surrender of all goods, railways material, military equipment, and so on, in these areas in an undamaged condition; the consideration on the same terms of the cession of Polish and Hungarian minority areas; and finally a plebiscite in certain other regions, to be held not later than 25 November.

This time Hitler had gone too far in his attempt to humble his opponents. Chamberlain hurried back to London and, after consultation with the French government, announced that he had passed these new demands on to Czechoslovakia with the recommendation that they be refused. He added that the two governments would no longer advise the Czechs not to mobilize their army. The Prague authorities took the cue, rejected the new plan, and ordered a complete mobilization. Britain and France supported this resistance by an immediated announcement of full support for the Czechoslovak government. Hitler stood his ground and threatened to go through with his plan. Momentarily at least, it seemed as if Europe might yet be plunged into war, not by the question of cession but over the time and manner in which the transfer was to take place.

(At this point Mussolini, who found the prospect of a European war over Czechoslovakia extremely distasteful, entered the picture. Prompted by appeals from London and Washington, the Duce managed to persuade Hitler to hold up military action and to meet with Chamberlain, Daladier, and himself in a conference at Munich. The conference itself was destined to be anticlimactic, for it was understood that by consenting to confer on the question, Hitler had decided to accept a compromise rather than to force his own solution by resort to arms.)

The Munich accord, signed 30 September 1938, authorized Germany

progressively to occupy four frontier zones within the next ten days and a fifth zone which was to be delimited by an international commission. Plebiscites were to be held subsequently in other areas, following which the final frontiers were to be fixed by the commission.) Czech authorities were ordered to release all Sudeten political prisoners and to evacuate the frontier zones without removing therefrom any goods or equipment. The Czech government, which had not been asked to take part in the Munich proceedings, now had no alternative but to submit and place its signature of approval upon the final bargain. Throughout the world the protests of liberals, alarmed over the extent and portent of the German victory, were mingled with a genuine and widespread sense of relief that war had been avoided once more.

(The Munich agreement, being another victory—and a resounding one—for the Nazi technique, constituted an armistice rather than a final settlement.) Germany had acquired a fifth of Czechoslovakia's territory, all major fortifications, the more important industries, and a new Czech minority of approximately 800,000. Thus fortified, the Nazis pushed ahead ruthlessly in their determination to obtain a complete strangle-hold upon the Czechoslovakia that remained. Contrary to the Munich accord, no plebiscites were ever held in any of the frontier areas and the international commission actually drew a final frontier, 21 November 1938, which transferred to Germany some territory not included in the Munich zones.) It is unnecessary to add that the anticipated international guarantee was never implemented in any way and it was tacitly understood that Czechoslovakia was now so clearly inside the German economic and political orbit that there could be no effective international guarantee without full Nazi coöperation, a thing in which Hitler was no longer interested. President Benes found the situation so intolerable that he resigned his post, 5 October 1938, and left the country. Helplessly the truncated republic was compelled to accept further humiliation when German and Italian representatives met at Vienna, 2 November, to settle Polish and Hungarian claims for frontier rectification.

The final act in the drama can be summarized briefly. (After Munich the Slovaks demanded and received a grant of full autonomy within the republic and the same concession was given later to the sparsely settled eastern tip of the country, now officially termed Carpatho-Ruthenia.) These forces of disintegration continued unchecked; in fact, they were supported actively by the Nazi leaders. Eventually, (in early March 1939, Slovakia declared its complete independence and, when the Prague authorities attempted to check the process of dissolution, the pro-Nazi forces in Slovakia obediently called upon Hitler for aid. Both the Czech and the Slovak premiers were summoned to Berlin, where their assent to a new Nazi policy

was exacted. Within another day German troops had begun the military occupation of Bohemia and Moravia and on 16 March 1939 Hitler proclaimed an official German protectorate over both provinces whose territory he declared had been part of the German *Lebensraum* for a thousand years. In explanation of this step the Führer said that since the Czechoslovak republic had not succeeded "in the sensible organization of the common life of national groups, which were arbitrarily united within its borders . . . [it had] proved its inability to live and actually fell to pieces. . . . Germany already has proven in its 1000-year-old historical part that, by reason of its size and the characteristics of the German nation, it alone is predestined to solve these problems."⁶ Slovakia was also taken under German protection at the same time, while Hungary was permitted to occupy and annex the Carpatho-Ukraine tip. The Munich settlement had reached its inevitable conclusion and Czechoslovakia had disappeared from the

TWO INTERLUDES: MEMEL AND ALBANIA

The problem of Memel had long been a point of minor irritation in Germany and it was but natural that Hitler, having eliminated the Czechoslovak problem entirely, should have decided to deal with Lithuania in the same decisive manner. At the end of the War the Versailles Treaty (Art. 99) had required Germany to cede the city of Memel, at the mouth of the Niemen River, to the Allies. Presumably, it was intended ultimately to give this valuable seaport to Lithuania but there was a long delay and in 1923 the city was forcibly occupied by Lithuanian troops. When the Council of Ambassadors proved unable to reach a satisfactory agreement with the Lithuanian government the whole dispute was referred to the Council of the League of Nations. A special commission headed by an American, Norman Davis, recommended that the sovereignty of the city be transferred to Lithuania but that Memel should be given virtually complete administrative autonomy and that the port facilities be controlled by an international board comprising a Pole, a Lithuanian, and a citizen of Memel. Poland, which had hoped to obtain Memel in compensation for

⁶ For text, see *The New York Times*, 17 March 1939.

⁷ For further reading see H. F. Armstrong, *op. cit.*, *passim*. This is an elaboration of an article, "Armistice at Munich," *Foreign Affairs*, January 1939, supplemented by an excellent chronology of the Munich crisis. See also V. M. Dean, *Europe in Retreat* (New York, 1939); G. E. R. Gedye, *Betrayal in Central Europe* (New York, 1939); J. Hanč, "Czechs and Slovaks since Munich," *Foreign Affairs*, October 1939; and *anon.*, "Le Fin de la Tchéco-Slovaquie," *Sciences Politiques*, June 1939.

the loss of Danzig, protested but was forced to accept the compromise solution.⁸

Since Memel is largely German in population and since there was continuous friction between the city authorities and the Lithuanian government, it is understandable that municipal politics should have become strongly pro-Nazi after 1933. Hitler felt so strongly over the Memel question that in one of his famous speeches on foreign policy, 21 May 1935, he specifically exempted Lithuania from the list of neighboring states with which he was willing to conclude a nonaggression treaty. During the early weeks of 1939 the Nazi press had devoted much space to the Memel problem and Hitler turned his attention to it immediately after he had finished with Prague. The Lithuanian Foreign Minister was ordered to Berlin, 20 March, where he was informed that unless his government would agree to cede Memel to the Reich, German troops would occupy the city to preserve "order." A four-day time limit was attached to this ultimatum. Within three days the formal surrender of the city had been effected and Hitler went to Memel, 23 March, to welcome the return of another group of Germans to "a mighty new Germany that again knows the unshakable conceptions of honor."⁹

Meanwhile, there were indications that Signor Mussolini was by no means happy over the way in which his fellow dictator had continued to hold the limelight. The Duce had managed at the last moment to play some part in the Munich settlement but there was as yet little if any tangible benefit which he had derived from his axis relationship. On the other hand, he had carried his full share of the load by acquiescing, though with rather bad grace, in the Austrian annexation, by joining the Anti-Comintern Pact, by leaving the League of Nations, and by promulgating a number of antisemitic decrees. In the winter of 1938, through the press and "popular" demonstrations, he had let it be known that Italy was not now satisfied with the French concessions given by M. Laval in the January 1935 agreement. While the press dilated upon Italy's needs in the Mediterranean and East Africa, mentioning Tunis, a share in the Suez Canal, Djibouti, and even Nice and Corsica, Mussolini waited for reactions. The French government took official cognizance of the disturbance and replied vigorously, denied Mussolini's argument that the 1935 bargain was invalid because ratifications were not exchanged, and insisted quite properly that there could be no official discussion until and unless Italy was prepared to make specific demands. M. Daladier added categorically, "We will not cede a foot of our land or one of our rights."¹⁰

⁸ The most complete account of the Memel Convention and its operation is to be found in Jacob Robinson, *Kommentar des Konvention über das Memelgebiet* (2 vols. Kaunas 1934).

⁹ For full text of his speech, see *The New York Times*, 24 April 1939.

¹⁰ For text of the correspondence and M. Daladier's speech, see *The New York Times*, 30 March 1939.

Still pursuing his cherished appeasement program Prime Minister Chamberlain and Lord Halifax, his Foreign Secretary, visited Rome in the middle of January 1939, stopping en route to converse with the French officials. Although nothing definite concerning the outcome of the visit is known, it had no visible effect upon the course of the Franco-Italian dispute. If Mussolini anticipated an immediate assurance of support from Germany he was doomed to disappointment, for in his next important public pronouncement on foreign policy Hitler made no reference to the affair beyond an assurance that Germany would assist Italy if the latter were attacked by any third power.¹¹

If Mussolini could not emulate Hitler and bluff the democracies into Mediterranean or Near Eastern concessions in the interest of appeasement, there was one "fruit of aggression" which was his virtually for the asking and which he could have had at any time in recent years. This was Albania. Even since the War this tiny Adriatic kingdom had been predominantly under the influence of Italy. By the treaties of Tirana, 27 November 1926 and 22 November 1927, this status was formalized and thereafter Albania was under the complete domination of Italy both economically and politically. In almost every aspect of public life Albanian governmental policy was, or could be, dictated in Rome.¹²

Having improved Italo-Yugoslav relations by the agreement of 25 March 1937, Mussolini could thereafter do as he liked with Albania without provoking a storm of fear and opposition at Belgrade. Consequently, by the spring of 1939, he was completely free to win one diplomatic victory without any effective opposition from any source. On April 7 Italian troops which had been concentrated on the Adriatic for several days were transported to the Albanian coast where they proceeded to occupy the entire country virtually without opposition. The Italian press offered no justification for this action beyond charges that King Zog and his clique had so misruled the country that the majority of the suffering inhabitants would be happy to have Italy restore order and assume administrative control. When King Zog fled to Greece with his wife and their new-born son, the entire régime collapsed. On the day following the occupation the former kingdom was officially placed under the protection of King Victor Emmanuel. Although not formally annexed to Italy, Albania became essentially an integral part of the Italian Empire.

Throughout the Balkans—and the world—it was recognized that the Albanian coup was intended not only as a demonstration of Italian power and aggressiveness but also as a warning to other powers, Germany in-

¹¹ On the Franco-Italian controversy, see V. M. Dean, "Italy's Mediterranean claims against France," *Foreign Policy Reports*, 1 June 1939.

¹² See M. H. H. Macartney and P. Cremona, *op. cit.*, chap. V, and J. Ancel, *Les Balkans face à l'Italie* (Paris, 1928).

cluded, that recent events had not caused Mussolini to give up his cherished hope that Italy was destined to be the dominant power throughout the entire Balkan area. In this connection it should be noted that the occupation of Albania occurred within less than a month after Hitler had destroyed Czechoslovakia and had placed Rumania under pressure to enter into closer and more favorable trade relations with the Reich.¹³ It can be assumed that this sequence of events was not purely coincidental.

DANZIG AND THE POLISH CORRIDOR

The Nazi absorption of Czechoslovakia in March 1939 was an event of far greater significance than the Munich settlement of the preceding autumn. Despite Hitler's repeated blows at the Versailles system the British cabinet had remained firm in its belief that German ambitions did not extend beyond the goal of rectifying some of the most distasteful features of that settlement and that, when this had been done, effective collaboration could be reestablished with the Reich. It had believed, too, in the sincerity of Hitler's oft-repeated assertions that he had no wish to bring any non-Germans under the rule of the Swastika. But the events of March completely belied these reassurances. If Hitler had deliberately set out to make the British advocates of appeasement appear completely foolish, he could have devised no better way than by his defiant gesture of tearing up the Munich settlement almost before the ink was dry on the official signatures. Throughout England indignation was intense and Mr. Chamberlain, recounting bitterly Hitler's many promises concerning Czechoslovakia, asked: "If it is so easy to discover good reasons for ignoring assurances so solemnly and so repeatedly given, what reliance can be placed upon any other assurances that come from the same source?" And he added, "Is this the last attack upon a small state or is it to be followed by others? Is this, in fact, a step in the direction of an attempt to dominate the world by force?"¹⁴ A fortnight later he admitted to the House of Commons that the German action had "completely destroyed confidence" and he gave warning that "if I were convinced that any nation had made up its mind to dominate the world by fear of its force, I should feel that it must be resisted. Under such domination, life for people who believed in liberty would not be worth living."

The shift in British policy was immediate and fundamental. Gone now was any notion of further appeasement! If the Nazi aim was not merely the

¹³ See P. B. Taylor, "Germany's Expansion in Eastern Europe," *Foreign Policy Reports*, 15 May 1939.

¹⁴ In his Birmingham speech, *The New York Times*, 18 March 1939.

return of a few Germans to the Reich but Continental hegemony, the danger must be met as quickly and as effectively as possible. Already the valuable Czech army had been sacrificed in the interests of a policy which had been proved fruitless. Further losses of such magnitude were to be avoided at all costs. Other states which might have reason to fear Nazi pressure must be encouraged to maintain the utmost resistance. Meanwhile Britain must strengthen her own defenses as quickly as possible. To accomplish this last point the government broke completely with tradition and, 26 April 1939, introduced peacetime conscription. In addition to this measure it increased rearmament expenditures on a vast scale and announced the imposition of a staggering increase in the tax burden to help defray the added costs of military preparedness.

This was not the only break with tradition. Throughout the entire period since 1919 the British government had refused categorically to consider specific obligations in central Europe. Now, faced with the possibility of further Nazi aggression, the government reversed this historic position and within a fortnight after the declaration of the German protectorate over Bohemia and Moravia, Mr. Chamberlain announced to the House of Commons, 31 March, that negotiations for a mutual assistance pact with Poland had been undertaken and that "during that period, in the event of any action which clearly threatened Polish independence, and which the Polish government accordingly considered it vital to resist with their national forces, His Majesty's Government would feel themselves bound at once to lend the Polish Government all support in their power. They have given the Polish Government an assurance to this effect."¹⁵ Similar offers were made to Greece, Rumania, and Turkey, while a British trade mission hurried to Bucharest to check the canalization of Rumanian exports to Germany. Negotiations were also opened at last with the Soviet Union in a belated effort to bring that great power into the "Stop Hitler" coalition. France, it is needless to say, stood solidly with Britain in all these maneuvers.

This amazing shift in British foreign policy was clearly the result of a German diplomatic blunder of the greatest magnitude. It was clearly demonstrated in the post-Munich months that the Reich enjoyed complete indirect domination of what remained of the Czechoslovak republic. So great was this that there could have been no genuine justification for the decision to destroy the republic. Clearly, it must be explained in terms of megalomania and not in terms of national need or wise diplomacy. Without such

¹⁵ *Documents concerning German-Polish Relations and the Outbreak of Hostilities between Great Britain and Germany on September 3, 1939*. Cmd. 6106 of 1939, p. 36. Hereafter cited as *British Blue Book*. The Anglo-Polish Alliance was not formally signed until 25 August.

a blunder it is more than possible that the Nazi government might have won many more victories of the Munich type without seriously weakening the strength of the appeasement forces in London. As it was, the Nazis themselves killed the appeasement policy, thereby demonstrating once again an inveterate and dangerous German fondness for *Machtpolitik*.

Britain had inaugurated her new policy with a hasty guarantee of assistance to Poland because there were ominous signs that, having finished with Prague, the Nazis were now preparing to concentrate their full pressure upon Warsaw. An abusive press campaign had opened the attack in the customary way by charging the Poles with discriminatory and inhuman treatment of the large German minority under their rule. Semiofficial utterances gave further indications that Hitler had determined to press his case while circumstances were still favorable.

The issues between Germany and Poland were so fundamental that, if the *status quo* were upset, it was difficult to see how a mutually satisfactory compromise could be arranged. Throughout the entire period of the Weimar Republic there had been chronic ill feeling between the two states. Germany could not resign herself to the loss of the Corridor, the separation of East Prussia from the remainder of the country, and the additional loss to Poland of the valuable mining areas of Upper Silesia. Since the peace treaty had left approximately 800,000 Germans under Polish rule and about 500,000 Poles under German rule, it was but natural that each government should charge the other with unfair discrimination in the handling of minority problems. Further, there was, of course, the perennial problem of Danzig, the German city whose location at the mouth of the Vistula River made it of paramount importance to Poland and the Polish Corridor. The peacemakers had recognized the force of both arguments—Poland's need versus the Germanic character of the city and its population—and had attempted a compromise by making Danzig a free city under the administrative control of a High Commissioner appointed by the League of Nations. Naturally, this arrangement had given little satisfaction to either of the contending parties. Germany continued to look upon the whole Corridor, and especially Danzig, as an irredentist area, while Poland, dissatisfied with the inadequacy of her controls over Danzig, finally determined to break the resistance of the Danzigers by constructing a new seaport, Gdynia, a few miles away, which was to take as much of the seaport traffic as possible.

Although the rise of Hitler had resulted in the creation of a Nazi party in Danzig which soon controlled all the key elective posts and a majority in the Senate, Hitler had found it expedient, as we have seen, at first to make peace with Poland by concluding a ten-year pact of amity and nonaggression (26 January 1934). In typical fashion he had frequently reiterated his content with the existing situation. As recently as September

1938, he had said, "We are all convinced that this agreement [the ten-year peace pact] will bring lasting pacification. We realise that here are two peoples which must live together and neither of which can do away with the other. A people of 33 millions will always strive for an outlet to the sea. A way for understanding, then, had to be found; it has been found; and it will be ever further extended. . . . It was a real work of peace, of more worth than all the chattering in the League of Nations Palace at Geneva."¹⁶ But now that the French had been immobilized in the west and Czechoslovakia destroyed, the time had come when this pretense could be dropped and old scores settled. Poland, too, must be made to come to Canossa and do her penance.¹⁷

The opening wedge was the presentation of a series of demands to Warsaw late in March 1939. Danzig was to return immediately to the Reich and Germany was to be given a corridor, including a railway and a motor road, across the Corridor from East Prussia to the Reich. In return Germany would (1) recognize all existing Polish economic rights in Danzig, (2) give Poland a free port in Danzig, (3) accept "as ultimate" the new German-Polish boundary, and (4) conclude a twenty-five-year nonaggression treaty with Poland.¹⁸

On the face of it this might have been considered a moderate proposal, but because of Germany's actions in the recent past there was a natural tendency in Warsaw and elsewhere to regard it less as a final demand than as an initial move for a position which, when achieved, would prepare the way for the progressive presentation of other and more far-reaching demands. Poland took this view and, backed by London and Paris, where Hitler's technique was at last understood, refused point-blank to consider the German offer, suggesting instead that the two governments confer on means for improving transit traffic through the Corridor.

At this juncture President Roosevelt attempted to intervene by means of a none too tactful message to Mussolini and Hitler, requesting each ruler to give a specific assurance that his armed forces would not be used for at least ten years to attack any of a long list of nations. If these assurances were given, the President promised to secure reciprocal assurances from each of the other listed nations, and he pledged American coöperation

¹⁶ In his *Sportpalast* speech. Text in *British Blue Book*, p. 4.

¹⁷ On German-Polish relations, see R. L. Buell, *Poland, Key to Europe* (New York, 1939); J. Hesse, "The Germans in Poland," *Slavonic Review*, July 1937; and J. Kilarski, *Danzig* (Warsaw, 1937). This last is a Polish presentation of the Danzig problem. It should be compared with F. Steffen, *4000 Jahre bezeugen Danzigs Deutschtum* (Danzig, 1932); see also M. S. Wertheimer, "The Nazification of Danzig," *Foreign Policy Reports*, June 1936.

¹⁸ Cf. Hitler's Reichstag speech, 28 April 1939, *ibid.*, p. 22. It should be noted that the Polish government denied the last point. Colonel Beck declared, 5 May 1939, "The proposal for a prolongation of the pact of nonaggression for twenty-five years was also not advanced in any concrete form in any of the recent conversations."

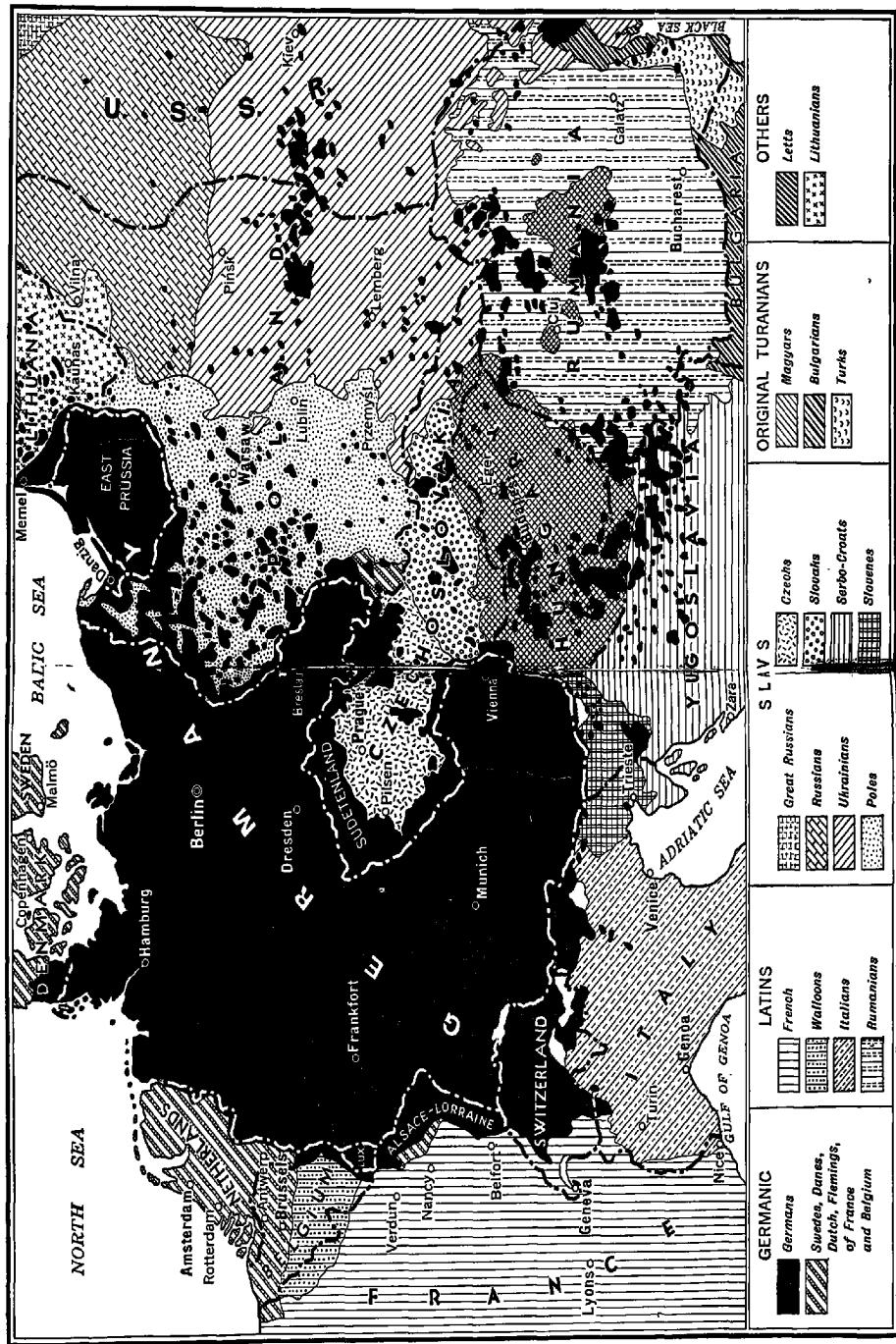


FIG. 28.—GERMAN MINORITIES IN CENTRAL EUROPE.
Adapted from a much-circulated German propaganda map.

in a subsequent world conference to reduce the armament burden and increase the flow of international trade by the lowering of artificial barriers.

With conditions of such extreme tension in Europe, Washington officials could scarcely have hoped for favorable replies. Perhaps they were merely attempting to place the dictators on record as having refused to give nonaggression assurances. At any rate the replies were far from assuring. Mussolini referred to the message with brief but scathing ridicule in a public speech, while Hitler used it as a sounding board for a long denunciatory speech before the Reichstag, 28 April 1939. His contemptuous rejection of the American suggestions had been anticipated, but he went on beyond that to inform the world that Germany had decided to abrogate both the Anglo-German naval treaty of 1935 and the Polish-German ten-year peace pact of 1934. According to Hitler's argument, the Anglo-Polish "alliance" had destroyed the basis upon which both other agreements had been negotiated and Germany was required by the interests of self-defense to free herself from the hampering restrictions of the pacts. The official German view seemed to be that the Reich had offered a fair and moderate proposal to Poland but that the Warsaw officials had been incited to resistance by the British and the French, who desired merely to embarrass Germany at every opportunity.

One immediate product of the growing difficulties of the Polish question was the apparent hardening of the Rome-Berlin Axis relationships. Presumably upon the demand of the Nazis, Herr von Ribbentrop and Count Ciano met in Berlin, 22 May 1939, and concluded an offensive and defensive military alliance which far exceeded the Italo-German alliance of pre-war days. Entirely automatic in character, it obligated each immediately to assist the other if either became involved in military entanglements with a third power.¹⁹

Throughout the early summer the general course of developments remained unchanged. The British and French encountered great difficulties in their attempt to bring Moscow into the anti-Hitler bloc, but negotiations with Foreign Commissar Molotov, who had succeeded Litvinov at the Foreign Office in May, continued, and it was generally assumed that sooner or later a satisfactory arrangement could be made. The press, especially, assumed that because of the long and bitter enmity between the Nazis and the Bolsheviks there could be no question about the ultimate alignment of the Soviet Union. Meanwhile in Danzig there was so much covert military activity—formation of a *Freikorps*, barrack construction, blackout practice, and the like—that Lord Halifax warned Warsaw that he feared "Hitler is laying his plans very astutely so as to present the Polish government with a *fait accompli* in Danzig, to which it would be difficult for them to react

¹⁹ For text, see Appendix, pp. 802-804.

without appearing in the rôle of aggressors." Unfortunately, there was little or nothing which Poland could do to check or hinder these preparations, and a policy of "watchful waiting" was maintained. In Germany, where the military preparations were declared to be purely precautionary, the only diplomatic activities consisted of the signature of nonaggression pacts with Denmark, Estonia, and Latvia.

As the dangerous postharvest period approached, when Germany would either be compelled to strike a blow for the freedom of Danzig or wait until another year, it was more and more evident that the powers had all taken uncompromising positions from which none could easily retreat. On 22 August, Prime Minister Chamberlain warned Hitler again that Britain was prepared to assist Poland in resisting any attempt to resolve the Danzig question by force, and Sir Nevile Henderson, the British ambassador, was instructed to reinforce this by a personal interview. He found the Chancellor "excitable and uncompromising . . . his language was violent and exaggerated both as regards England and Poland."

It was at this critical time that Germany threw a major bombshell into the Allied camp. Herr von Ribbentrop suddenly flew to Moscow where after the briefest of negotiations he signed, 23 August, the famous Soviet-German Nonaggression Pact.²⁰ The gravity of the blow to the Allies was not to be minimized. Months of futile negotiation had never destroyed the Allied belief in the inevitability of a pact with Russia. In fact, they were so sure of ultimate success that an Anglo-French military mission was actually in Moscow with instructions to begin military conversations even before the details of the political understanding had been agreed upon. Now, with a single stroke, Germany had destroyed all this effort by an agreement which made it certain that the Soviet Union would not join in any anti-Nazi coalition. The jubilation in Berlin was equaled only by the gloom in Paris and London. If Germany now chose to fight it out, she would face no enemy save Poland in the East, thus avoiding the one thing which Nazi strategists had dreaded: a powerful enemy on two fronts at the same time. Britain and France made haste to reiterate their intention to support Poland despite this new development, but it was generally recognized that the situation had taken a serious turn for the worse. Allied chagrin was not lessened by the realization that in all probability Germany and the Soviet Union had been negotiating secretly while Molotov had been pretending to negotiate with the Allies. Duplicity could have gone no further.

Hitler made one last effort to conciliate Britain, offering after the Polish questions had been solved to "guarantee the existence of the British Empire" and to assure Britain "of German assistance regardless of where such assistance should be necessary," but this magnanimous offer provoked no

²⁰ For text see Appendix, p. 806.

favorable reaction in London. Following this, events moved with great speed toward an almost inevitable conclusion. Direct negotiations between Germany and Poland had broken down completely, and the Germans were firm in their insistence that they would not negotiate unless a special Polish representative with full powers would come to Berlin immediately. To this, the Poles, supported by the British and French, demurred, insisting that German proposals be handed to the Polish ambassador in Berlin. Both the Poles and the Germans were now actively mobilizing their military forces. When the British ambassador saw Herr von Ribbentrop on the evening of 30 August, the latter "produced a lengthy document which he read out in German aloud at top speed." Later, when the ambassador asked for a copy of these proposals in order to transmit them to the Polish government, he was told that "it was now too late as the Polish representative had not arrived in Berlin by midnight."²¹ When the Polish ambassador was finally received by the German foreign minister on the following evening, he found after the interview that he could not get in touch with his home government because Germany had shut down all means of communication. For the Nazis, the die was already cast and at dawn the next morning, 1 September, German troops crossed the frontier and began the invasion of Poland. Britain (supported at every step by France) immediately sent a warning message which remained unanswered. This was followed by an ultimatum informing the German government that unless operations against Poland were suspended by 11 A.M. of the same day, 3 September, "a state of war will exist between the two countries as from that hour." Precisely twenty minutes after the expiration of the time limit the British ambassador was handed a note containing a categorical refusal. Europe was at war once more!

THE WAR OF 1939

For many years the reading public had been told that another major war in Europe would bring instantaneous and gigantic air attacks by each belligerent on the capital cities and great industrial centers of the other. Men had shuddered as they thought of the destruction of Paris, or London, or Berlin with the loss of priceless and irreplaceable architectural monuments and art treasures, not to mention the incredible civilian suffering and death which such a type of modern warfare would involve. In preparation for this both London and Paris evacuated as many civilians as possible, particularly children, and billeted them throughout the country. Art treas-

²¹ Sir N. Henderson to Viscount Halifax, 30 August 1939. *Ibid.*, pp. 145-46. The sixteen-point proposal was later published in the German *White Book*, Document 15.

ures were removed to places of safety, buildings were protected by sandbags, and new subterranean air-raid shelters were hurriedly constructed. At night the cities were entirely blacked out and hapless pedestrians threaded their way through streets darker than at any time since the Middle Ages. Volunteer citizen groups were organized to care for the wounded and to assist people to the air shelters. Gas masks were distributed to all and each person was required to keep his mask within reach at all times.

Days, weeks, and months passed in this atmosphere of tense expectancy but still the anticipated raids did not materialize. There were many reconnaissance flights, there were flights for the purpose of dropping millions of propaganda leaflets, and from time to time attempts were made to bomb enemy military and naval bases, but on each side the great cities and industrial centers remained intact. At the time of writing (January 1940), it was generally assumed that the reasons for this restraint were (1) that neither side wished to incur the odium of initiating such a program of indiscriminate destruction and slaughter, partly because of the propaganda handicap which would be incurred thereby and partly for fear of similar reprisals, and (2) that aerial defense measures had increased so rapidly and had been perfected to such a point that large-scale air attacks on equally armed opponents were no longer as feasible as they had been considered to be a few years before.

Profiting by the lessons of the last war, the British and French pooled their strength, supreme command of all land forces being entrusted to the French army commander while the French sea forces were placed at the disposal of the British Admiralty. For the first four months of the war land operations in the west were extremely localized; both sides took up their positions in their heavily fortified frontier defenses and remained facing each other in a condition of relative quiet except for occasional patrol operations. On the sea the German submarine and mine campaign took a heavy toll of Allied and neutral merchant shipping, though losses of warships were not extensive. From all appearances the Allies had decided against extensive offensive operations, trusting rather in the long-time effects of their powerful ocean blockade to bring Germany to submission through starvation and a lack of essential raw materials. Only one important naval engagement had been fought. This was the running battle off the coast of Uruguay between the German pocket battleship "Admiral Graf Spee" and three small British ships. Badly hurt, the German ship sought refuge in the harbor at Montevideo where, upon orders from Berlin, it was later scuttled.

On the eastern front, however, the situation was quite different. Here Germany unleashed her much-advertised *Blitzkrieg*, a lightning war, in all its fury. Warsaw and other Polish cities were subjected to a merciless bom-

bardment from the air, while the mechanized German armies drove the luckless Polish forces back into the interior with startling rapidity. Within three weeks effective Polish resistance collapsed, government officials fled from the country, and isolated centers of resistance were being removed by "mopping-up" operations. On 27 September the city of Warsaw finally surrendered. Although Poland had fought against superior odds in man power, generalship, and equipment, the unexpected rapidity of her collapse was a source of much surprise to many foreign military experts.

While the Nazi forces were driving relentlessly against the retreating Poles, the Soviet government produced another "surprise," 16 September, in the form of a military invasion of eastern Poland. Charging Poland with the exploitation of the Ukrainian and White Russian minorities in that region, the Soviet government alleged that the invasion was necessary to protect these minorities and "our own interests." It was not known at the time of writing whether this second invasion had been prearranged with Germany or whether the Soviet Union, realizing that Polish resistance was at an end, had entered the country in order to prevent Germany from occupying the entire country, which would have given the Nazis a common frontier with Rumania, a valuable strategic position in the northeast, and the rule of a large Slavic minority. Most experts took the second view. In any event, the German government acquiesced with apparent good grace, and the two governments made a special agreement, 28 September, dividing Poland into two roughly equal parts by a north-south line which ran east of Warsaw. On 8 October a German decree reannexed to the Reich the former Polish Corridor and Upper Silesia, leaving some 40,000 square miles in central Poland with an undetermined status. For the time being at least it served as a buffer between the Reich and the new Russian part of eastern Poland. A forced migration of German Jews to a part of this area was undertaken later.

In less than a month the territory of Poland had been completely occupied and the country had been partitioned for a fourth time in its history. Poland had joined Czechoslovakia, Austria, Albania, and Ethiopia. As in the case of the extinction of Czechoslovakia, the Allies and many neutrals, including the United States, refused to recognize this act and continued to accord legal recognition to the fugitive Polish government which had been reorganized in France.

ITALY AND THE WAR

Despite Signor Mussolini's reiterated protestations concerning the indissolubility of the Rome-Berlin Axis relationship, and despite the automatic

military alliance which the two countries had concluded in May 1939, informed foreign opinion had always held that the Duce was unlikely to join Hitler in any general European war. For Mussolini, the axis relationship had certain diplomatic values as an irritant which might be used to wring concessions from France and Britain, but the prospect of actual war was known to be most unwelcome in Rome. Partially exhausted by the Ethiopian campaign and by the unexpectedly long duration of the Spanish war, Italy wanted no war anywhere in the near future. Moreover, it was known that Italy was not too enthusiastic about entering the lists on Hitler's side, for though a German victory might bring Italy desirable compensations in the Mediterranean, it would give the Nazis a position of undisputed hegemony in the entire Balkan region and would thus make Germany a Mediterranean power. Obviously, too, the failure to win such a war would be fatal to Italy, since it would destroy all prospects of attaining or retaining that equality of Great-Power status which the fascists so coveted.

Also there were other factors to be considered. In any war against France and Britain Italy would be bound to suffer greatly. Her only industrial centers and sources of hydroelectric power were located inconveniently near the French frontier, while her long coast line would expose her to serious danger from the Anglo-French Mediterranean fleet. Further, the Allies could close the gates of the Mediterranean at Gibraltar and Suez, thereby depriving Italy of nearly four-fifths of her vital foreign trade and at the same time placing her hard-won empire in East Africa completely at the mercy of the enemy.

It was with all this in mind that Mussolini had exerted his efforts to persuade Hitler to agree to the Munich conference. Now, a year later, when Germany plunged into war over the Polish question, Mussolini again made a last-minute attempt to arrange an armistice, to be followed by another Great-Power conference. In this effort he had once more been prompted, if indeed he needed prompting, by another plea from President Roosevelt. This time, however, the attempt failed because the Powers were committed to a course of action from which they could scarcely retreat to the conference table. When this proved futile, as did a direct plea from President Roosevelt to Herr Hitler, there remained the matter of the Rome-Berlin military alliance. Presumably this problem had been threshed out at a meeting at Salzburg a few days earlier between the German and Italian foreign ministers. In the absence of any official information it may, perhaps, be assumed that Germany was warned that, if she persisted in pressing her Polish policy to the point of war, she could expect no help from Italy. This inference is supported by the German chancellor's war address to the Reichstag in which, referring to Italy, he said, "You will understand that for the carrying on of this struggle we do not intend to appeal to foreign

help. We will carry out this task ourselves." Such a statement may have been the expression of an independent German decision, but it may also have been a "face-saving" technique.

At any rate, whatever the realities of this diplomatic situation, the result was clear: Italy did not choose to honor her recently signed obligations and enter the war by the side of her axis partner. On the contrary, there was a general and official silence in Rome which remained virtually unbroken. From time to time there were feeble press polemics against the democracies, but even these lacked the fire of earlier days. Plainly, Italy had no desire to participate in the struggle.

At the same time, in the interests of neutrality and with an eye to future bargaining possibilities, it was necessary to pursue an independent course, however inconsistent this might appear. Thus, there was a drastic shake-up, 31 October 1939, in the top ranks of the fascist hierarchy. Six cabinet ministers, the army and air-force chiefs of staff, and the secretary of the fascist party were either dismissed or transferred to other posts. All of these men were pro-Nazi, a fact which did not escape foreign observers. Thus, too, Air Marshal Balbo's newspaper, the *Corriere Padano* of Ferrara, made a vigorous attack, 8 October, upon the Soviet Union, in the course of which the editorial declared, "We are born anti-Communists and we intend to remain so. Not a grain of esteem or an ounce of sympathy for the Bolsheviki! For us they are and will be tragic buffoons, professional magicians, models of gross bestiality, living monsters at the service of the maddest and most infamous undertaking of insolence, cruelty, and human degradation that universal history records."²² On the other hand, Count Ciano's speeches warmly supported German policy, commended the German-Soviet pact, and warned Britain and France that Italian aspirations in the Mediterranean remained unsatisfied. The way of a neutral, like the way of a transgressor, is hard.

THE SOVIET UNION AND THE WAR

The dramatic reversal of Soviet foreign policy, as attested by the non-aggression pact with Germany and the subsequent invasion of eastern Poland, caused a sensation throughout the world. In other countries loyal communists and "fellow travelers" were stunned at the seeming perfidy of their leader who, without warning, had abandoned them in order to cast his lot with the hated archenemy. Accustomed as they were to feats of mental agility, these valiant prophets of a new Utopia were unable for a time to cope with such an incomprehensible situation and for the most part

²² Quoted in *The New York Times*, 10 October 1939.

they lapsed into sullen silence, waiting for an official explanation which would enable them to defend this strange new world.

No adequate official explanation has as yet been given, but on the basis of official statements and subsequent acts it is possible to reconstruct the situation and to trace the red thread of continuity in Soviet policy. First of all, the tradition of Russo-German collaboration, which had been fairly close and continuous before 1933, had not entirely disappeared under the hammering blows of Hitler's great campaign against the world menace of Bolshevism. Although officially Hitler had proclaimed a crusade and Russia had sought defense in collective security and the French alliance, still there were groups in both countries that continued to believe in the superior wisdom of a *rapprochement* between the two peoples. This was particularly true among the military forces. Following the Rapallo Treaty of 1922 many German officers had been permitted to go to Russia where they familiarized themselves with the use of weapons denied to Germany by the Versailles Treaty. The friendly entente thus created was not broken by the official hostility which followed the advent of the Nazis to power. It has frequently been charged that Hitler's difficulties with his high army officers, particularly General von Fritsch, as well as Stalin's purge of Marshal Tuchachevsky and six of his aides, came because these men in both countries were working covertly to bring about an understanding which would bring an end to what they considered to be a senseless policy of ideological hostility.²³

Ironically enough, after executions and dismissals had eliminated most of these men, their political superiors began to move away from their past hostility and toward the point of view which they had so recently condemned. In the case of Stalin, the Munich settlement seemed to demonstrate the weakness of the Litvinov "League of Nations-collective security-coöperation with the democracies" policy. The League did not have any relation to the Munich settlement, and the democracies made their deal with the Nazi leader without allowing either the victim or its ally, the Soviet Union, to take any part in the negotiations. It seems fair to assume that from that time on Stalin was convinced that the democracies could be trusted only to use the Soviet Union as a cat's-paw against Hitler. When Hitler's Bohemian blunder in March 1939 produced a reversal of French and British policy, and a resulting attempt to woo Russia with a hasty courtship, Stalin's convictions were confirmed, and although he made the pretense of dealing with the democracies, it is probable that his own decision to treat with Hitler was reached as early as the beginning of May when Litvinov left the Soviet Foreign Office.

On the German side, of course, a policy of *rapprochement* was dictated

²³ On this see J. W. Wheeler-Bennett, "From Brest-Litovsk to Brest-Litovsk," *Foreign Affairs*, January 1940.

by the sheer force of necessity. The Soviet Union must at all costs be prevented from joining the new anti-Hitler bloc, for Germany could not even contemplate, let alone undertake, a war in which she would be compelled simultaneously to fight the Soviet Union and Poland in the East and France and Britain in the West. A failure to gain Russian coöperation might make the democracies more willing to accept the results of a decisive victory in Poland. If not, it would at least keep one frontier open through which food and valuable military supplies might be procured.

For both parties, an understanding represented an ideological sacrifice of no mean proportions. Mr. Wheeler-Bennett phrased the situation aptly when he said that a Soviet-German agreement "involved the abandonment alike of fundamental principles and active policies. The basic doctrines of 'Mein Kampf,' the dreams of a German exploitation of the Ukraine and the Baltic, the proud boastings of the Anti-Comintern Pact, even the foundations of the Rome-Berlin Axis, must find a common grave with the Russian protestations of collective security, the 'People's Front,' and the anti-Fascist line of the Third International. The Pelion of injury was piled upon the Ossa of betrayal. Before the winds of military expediency and the grumbling hunger of territorial aggrandizement, the veil of ideology was torn away, revealing the naked community of totalitarian imperialist interests."²⁴

These considerations offer an explanation of German policy, and they would also explain Russia's refusal to enter an anti-Hitler coalition. They do not, however, explain why the Soviet Union took the added step of signing a special nonaggression pact with Germany. This seems to be explicable only by imputing to the Stalinist policy the motive of ordinary and orthodox imperialism, not the economic imperialism of capitalism, so long derided by the High Priests of the Communist gospel, but the equally invidious imperialism of power politics. Only by signing a nonaggression treaty could Germany be led into a decision to precipitate a major war. Such a war would be bound to weaken all the participating states, thereby dealing capitalism a lusty blow, and it might terminate in communist revolutions in one or more of the exhausted warring states. More important was the fact that such a war would give Russia an opportunity to enhance her strategic position in eastern Europe, for Germany, the one power which might be expected to oppose such a policy, would be involved deeply in war and would be so bound by the ties of gratitude and economic need that she would be in no position to lift a finger against such a Soviet enterprise.

On the basis of such considerations it is not difficult to understand Russian participation in the Polish war, but subsequent Russian foreign policy provides even greater testimony to the conversion of the Kremlin to a neoimperialism. The first region which felt the force of this new policy

²⁴ *Op. cit.*, p. 204.

was the Baltic area. Desiring to wipe out the stigma of the Brest-Litovsk Treaty of 1918 and to acquire an unchallengeable mastery of the Baltic, as well as to punish the Baltic republics for their anti-Soviet attitude in the past, Stalin lost no time in subjecting them, one by one, to a policy of pressure applied in the best Nazi style. First, the Estonian foreign minister was summoned to Moscow to learn the fate of his country. Four days later, 28 September, his helpless government signed a ten-year mutual assistance treaty with the Soviet Union, authorizing the latter to establish and use air and naval bases on the Estonian coast. This "no trespassing" warning was directed primarily against Germany, and the Berlin authorities recognized the force of it by the early adoption of a policy of repatriating Baltic Germans, bringing these bewildered peasants back to the lands from which their remote ancestors had migrated centuries earlier. Within the next fortnight the two remaining buffer states, Latvia and Lithuania, had been compelled similarly to accept the unwanted "protection" of Stalin. Each state granted air-base rights to Russia, and Latvia was required to permit a Soviet naval base and a coast artillery base as well.

It was anticipated that the Soviet Union would next turn south toward Rumania, which had held the former Russian province of Bessarabia ever since the War, and Turkey, which now had full control over the long-coveted Dardanelles. Rumania endeavored to meet the threat by enunciating a policy of complete defiance, by improving her relations with Hungary, and by entering into closer economic relations with the Allies. On 5 October Turkey prudently grasped the proffered hand of the Allies and signed the mutual assistance pact which Britain had originally proposed in the first "stop-Hitler" drive of the previous spring.

But the next blow of resurgent Soviet Russian imperialism did not fall in the south. It fell, rather, in the extreme north where Finland was next subjected to Muscovite pressure. The reasons for this were various. Finland, which had obtained its independence in 1917, had never concealed its dislike of the Soviet régime. If it could now be humbled, the cup of revenge would be sweet. Also if, as was generally supposed, the Soviet Union planned to force Norway and Sweden into the orbit of Russian influence, Finnish resistance must be destroyed before this could be done. Finally, the capitulation of Finland was necessary for the complete domination of the Baltic. Early in October 1939 the Finnish government was ordered in its turn to send a representative to Moscow. There he was given the terms: a mutual assistance pact, cession of land for naval bases, and so on. After protracted consideration the Finnish cabinet stubbornly refused to yield to a demand which involved almost a complete loss of its effective independence. Although the total population of the entire country did not exceed that of the near-by Russian city of Leningrad, the Finnish army was mobilized

and preparations for military resistance were undertaken. The Soviet bluff, if bluff it was, had been called, so the Red army was ordered to crush the Finns into a state of submission. After going through the formality of denouncing the Russo-Finnish Nonaggression Pact of 1932, the Soviet government ordered its troops to cross the frontier, and on the morning of 30 November the invasion began.

The Allies, the Scandinavian states, and even Italy hastened to provide what assistance they could to the embattled Finns. Foreign volunteers, chiefly from the Scandinavian states, enlisted in the Finnish army, and large sums were raised for relief purposes in the United States. At Geneva, the League of Nations made a gesture of symbolic importance, 14 December 1939, by expelling the Soviet Union and by calling on all members to give Finland such aid as lay within their individual power.

Although some aid in the form of military supplies and armaments was provided by France and Britain, both powers hesitated to dispatch large numbers of troops, fearing that such an action might draw the Soviet Union directly and fully into the war. In this connection the attitude of the Scandinavian states was of crucial importance. Warned by the German Reich of dire consequences if they permitted Allied troops to cross their territory on the way to Finland, Norway and Sweden supplied much covert assistance to the Finns but they continued resolutely to oppose the grant of transit rights for an Allied expeditionary force. It should be added that the problem of communications was most difficult. Only one single-track railway could be used in crossing the peninsula to northern Finland and, since the Finns use the old Russian broad-gauge track, it would have been necessary to transfer all shipments at the frontier. Faced with these difficulties, the Allies waited until March 1940 before they finally let it be known that they were willing, if Finland so requested, to attempt to send a large force.

Throughout December, January, and February fighting on the Finnish front raged with consistent fury. Despite their tremendous numerical inferiority the Finns held their positions and inflicted great losses upon the invaders. In time, however, the sheer weight of the ponderous Red army began to have its inevitable effect and the Finnish government, fearing that the tardily promised Allied aid would only have the effect of making a battle ground out of the entire country, was compelled to sue for peace. On 13 March 1940 the fighting ceased and Finland acceded to all the Soviet demands. These were: (1) the cession of the Karelian Isthmus, the entire shore of Lake Ladoga, and two strips of northern territory, (2) a long-term lease on the important naval base of Hangoe, and (3) a promise to build a railway improving connections between Russia and Sweden. Gloomily the Finns set about the work of reconstruction and the fortifica-

tion of their new frontiers. Soviet domination of the Baltic was now complete.

For the Nazis this victory signified that there would be no interruption in the flow of Swedish iron to the Reich. It meant, too, that Russia might now be able to supply Germany with a larger quantity of strategic raw materials. At the time of writing this point remained in question, chiefly because of the great likelihood that Soviet aggression would soon reappear in the Balkan area, but most observers felt that the conclusion of the Finnish war was almost as great a victory for the German Reich as for the Soviet Union.

INTER-AMERICAN RELATIONS

THE cataclysmic march of events which precipitated the second European war of this century has forced the states of the Western Hemisphere to reconsider their relationships, not only with the remainder of the world, but with themselves as well. Despite their relative geographic security, conditions of life in the Americas have inescapably felt the impact of the "politics of crisis" overseas.

On the one hand, the physical safety of the American continent no longer seems so secure as it once did—thanks to the submarine and long-range air power. The gradual realization of this fact has caused the most powerful American nation to reëxamine its defense policy. Concomitantly, the United States has become concerned with the problem of how to foster more effective coöperation with the other American countries, not only in the interest of continental defense, but for economic and cultural reasons as well. In proportion as totalitarianism has advanced and liberalism retreated in Europe during recent years, the great North American republic has become the most important and possibly the last major stronghold of democracy on earth. While in many of the republics south of the Rio Grande democracy has yet to take firm root, all of them share with the United States the tradition of "constitutional" forms of government and in certain of them, notably the Argentine, Chile, Uruguay, and Colombia, democratic institutions now flourish. Because of its vast, untapped raw materials and sparsely settled condition, South America has been a favorite field for fascist propaganda—as we have noted earlier in this book.¹ With the aid of large emigrant colonies, the Germans and Italians—particularly in Brazil, Argentina, Peru, and Venezuela—have provided education, business, press, and radio facilities as means of expanding their trade and developing sympathy for fascist ideas in Latin America. The Japanese have also been active for similar reasons. Nor has the United States remained untouched by organized Nazi propaganda from abroad, even though North American soil is less receptive than that further to the south.

✓ For all these reasons the task of inoculating the "American way of

¹ See especially pp. 443-444, *supra*.

life" against European fascism has assumed a place of first importance in the so-called "Good Neighbor" policy which began under the auspices of President Hoover and Secretary Stimson (even if not so labeled), and has been further developed by Franklin D. Roosevelt and Cordell Hull. Because this policy gives us the central clue to the orientation of the United States in international affairs during recent years, and in turn because the reaction of the entire Western Hemisphere to totalitarian imperialism necessarily reflects the lead taken by the one Great Power of the New World, it is appropriate that this chapter should begin with an appraisal of "Good Neighborism." In the following chapter we shall review the struggle for American "neutrality" in non-American wars and examine briefly some of the problems which face America as a result of the current European war.

THE "GOOD NEIGHBOR" POLICY

When President Franklin D. Roosevelt took office in 1933, he announced in his inaugural address that he intended to dedicate the United States "to the policy of the Good Neighbor—the neighbor who resolutely respects himself and, because he does so, respects the rights of others—the neighbor who respects his obligations and respects the sanctity of his agreements in and with a world of neighbors." While the new president's words obviously applied to America's relations with the outside world as a whole, they were directed primarily toward Latin-American ears. As early as 1928, Mr. Roosevelt had set forth the view that the United States should drastically alter its relations with its southern neighbors by renouncing intervention and diplomatic pressure in behalf of vested interests.² At that time Latin-American suspicion of the United States still amounted to what Professor Rippy has aptly called "Yankeeophobia."³ Dollar diplomacy still had its grip on most of the weak countries of Central America and the Caribbean, and Washington still officially denied the right of revolution in Latin America by refusing to recognize any government whose advent to power was by other than "constitutional" means. American marines were

² See his article in *Foreign Affairs*, July 1928.

³ See J. Fred Rippy, *Latin America in World Politics* (New York, 3rd ed., 1938), chap. XVI, for an excellent summary of our Latin-American relations—from "Roosevelt to Roosevelt." For a more specialized treatment, see Chester Lloyd-Jones, *The Caribbean Area since 1900* (New York, 1936); D. G. Munro, *The United States and the Caribbean Area* (Boston, 1934); M. W. Knight, *The Americans in Santo Domingo* (New York, 1928); A. C. Mills-paugh, *Haiti under American Control* (New York, 1931); Isaac J. Cox, *The United States and Mexico* (New York, 1927); and Rippy's *The United States and Mexico* (New York, 1931) and *The Capitalists and Colombia* (New York, 1931). No adequate analysis of the "Good Neighbor" policy as a whole has yet been written.

in Santo Domingo, Haiti, and Nicaragua, while American customs officials still operated widely as collectors for New York banks. In short, Theodore Roosevelt's "corollary" to the Monroe Doctrine, enunciated in 1904, still held and the United States still considered itself the policeman for the rest of the Americas to the south.

During the five years that intervened between the publication of Franklin D. Roosevelt's article and his accession to the presidency, the Latin-American policy of the United States underwent certain significant changes which heralded the second Roosevelt's radical departure from the aggressive policy inaugurated by his distant cousin. American marines were withdrawn from the Dominican Republic and, a little later, from Nicaragua. The financial controls exercised by American officialdom over Caribbean and Central American countries were relaxed and American relations with Mexico markedly improved, thanks, in large part, to the sagacious tact of Ambassador Dwight W. Morrow. In December 1928 the State Department issued an important memorandum, drawn up by Assistant Secretary J. Reuben Clark, which construed the Monroe Doctrine as a purely defensive instrument for all America against Europe. Under Secretary Stimson, the Department announced that this time-honored tenet of American foreign policy would no longer be invoked in support of forcible intervention in the domestic affairs of Latin-American countries. When, shortly thereafter, the question of defaulted United States loans to South America came before the Secretary for consideration, this promise was kept and no attempt was made to collect these debts by forcible action.

With the path of conciliation thus partially prepared, President Franklin D. Roosevelt lost no time in clothing the new policy with the "good neighbor" symbol. In a speech before the Woodrow Wilson Foundation in December 1933, the President further amplified his intentions. "The failure of orderly processes of government in this hemisphere," said Mr. Roosevelt, "becomes the joint concern of a whole continent in which we are all neighbors." By thus emphasizing the importance of voluntary coöperation within the "American neighborhood," the President undoubtedly hoped to point a contrast to the rapidly emerging fascist nationalism of Europe. That his words echoed the moralistic precepts of Jeffersonian and Wilsonian democracy was obvious to all who heard them.

Action quickly followed the President's declarations. By a series of steps taken during his first administration, the United States conducted an effective retreat from "dollar diplomacy." The last contingent of American marines left Haiti in August 1934, and along with them the American fiscal agents who had long been stationed in the little Caribbean republic. That same year the Platt Amendment was abrogated by a new treaty which conferred full national sovereignty upon Cuba. The Roosevelt Administra-

tion did not, however, entirely refrain from interfering in Cuban politics following the overthrow of the dictator Machado in August 1933. Although no American troops were landed on Cuban soil, as had happened on similar occasions previously, American warships remained in Cuban waters for weeks, and the diplomatic pressure exerted from Washington was no small factor in the failure of the reformer, Grau San Martín, to establish himself as Machado's successor. Apart from this episode the progress of "Good Neighborism" was such as to convince most Latin Americans that Roosevelt and Hull really meant what they had preached. In 1936 a new treaty was negotiated with Panama which went far toward satisfying the long-standing claims of that republic against the United States.⁴ Finally, the American government renounced the "nonrecognition" policy of Woodrow Wilson and asserted that it would no longer challenge the right of revolution in Central America.⁵ Despite the fact that American customs officers still remain in Nicaragua and Santo Domingo, "the partnership between government and banker in the making and collection of loans seems to have been dissolved."⁶

This new attitude of refusing to use governmental pressure in order to aid investors received a severe test in 1938 when the Mexican government, as a part of its reform program of "Mexico for the Mexicans," expropriated the properties of American and British oil companies. This action grew out of a "nationalization" policy which, since 1927, had resulted in the seizure of hundreds of American-owned farm properties.⁷ For many months Secretary Hull patiently negotiated with the Cardenas government in an attempt to arrive at an equitable solution without resort to threat. Mexico eventually admitted the right of the American landowners to compensation and agreed to a compromise scale of payments; but the oil question was still unsettled when this chapter went to press. "The Mexican problem—or what to do when the Good Neighbor is bad to you—was a highly unpleasant affair for Washington to have to deal with."⁸ In acute form, it raised the issue of whether "Good Neighborism" would yield dividends in the form of a

⁴ This treaty, however, was not ratified by the United States Senate until July 1939, chiefly because certain senators held that by granting to Panama the right to be consulted by the United States in case of any threat of aggression, the defense of the Canal might be weakened. For Panama, this treaty marked a notable financial victory. By its provisions, the annual rental on the Canal Zone was increased to the equivalent of \$250,000 in gold, Panama having declined to accept "devalued" American dollars as full payment.

⁵ The Wilsonian policy had already been abandoned by President Hoover in respect to other Latin-American countries.

⁶ Rippy, *Latin America in World Politics*, p. 284.

⁷ For the background of this whole question see W. H. Shepardson, *The United States in World Affairs 1938* (New York, 1939), chap. IX.

⁸ *Ibid.*, p. 259. For the diplomatic correspondence concerning the oil properties, see S. S. Jones and D. P. Myers (eds.), *Documents on American Foreign Relations, January 1938-June 1939* (Boston, 1939), pp. 87-126.

"square deal" for legitimate North American investments from "sovereign" Latin-American governments. If United States investors were to be left to shift entirely for themselves, it was feared in some quarters that their interests might be prejudiced in favor of other investors. That the State Department had no intention of allowing this to happen seemed clear from the firm, even if friendly, tone it took with Mexico.⁹

"PAN-AMERICANIZING"

THE MONROE DOCTRINE

The Roosevelt Administration did not content itself with these concrete manifestations of "nonimperialism." With vigor and dispatch it also struck at another major cause of Latin-American ill feeling toward the United States—the *unilateral* character of the Monroe Doctrine. Although the Clark memorandum of 1928 had tended somewhat to allay apprehensions south of the Rio Grande, it was nevertheless a declaration which the State Department might alter at will. What was to prevent the United States from reverting to a "Big Stick" policy under another administration? The Monroe Doctrine remained the "peculiar property" of the government which had originally enunciated it. Indeed, this had been the line taken by Secretary Hughes at the Fifth Pan-American Conference in 1923—despite Woodrow Wilson's effort to transform the Monroe Doctrine into a truly international policy through the League Covenant. If, as Professor Fenwick has observed, "the complex that existed in so many Latin American minds against the Monroe Doctrine was to be broken, more positive evidence than mere verbal declarations" was required.¹⁰

Such evidence the Roosevelt Administration now undertook to supply. At the Seventh Pan-American Conference, held at Montevideo in 1933, Secretary Hull played a leading role in securing the adoption of a Convention on the Rights and Duties of States which provided that "no state has the right to intervene in the internal or external affairs of another" and reaffirmed the principle of nonrecognition of territory acquired by force. This was the first step. Three years later the second step was consummated at the Buenos Aires Conference for the Maintenance of Peace. Here a convention was signed pledging consultation among all the American nations in the event their peace or security should be threatened from any source, whether within or without the Americas. This agreement was couched in terms intended to remove any stigma of inferiority that might be felt by

⁹ Incidentally, Britain's peremptory demand that British-owned properties be returned to their owners brought no better results; on the contrary, it led to a suspension of diplomatic relations between the two governments.

¹⁰ C. G. Fenwick, "The Monroe Doctrine and the Declaration of Lima," *American Journal of International Law*, April 1939.

the South American countries in relation to the United States. The defense of the Americas was to become a multilateral obligation and by joint consultation it was hoped that methods of peaceful coöperation might be found—although, in case such consultation should prove abortive, the United States would, of course, still have a free hand. The Buenos Aires Conference also supplemented the Montevideo Convention on nonintervention by a Protocol which defined intervention “as a threat to peace sufficient to set in motion the new machinery of consultation.”

At the Eighth Pan-American Conference of 1938, these principles were further elaborated and coördinated in the famous “Declaration of Lima.”¹¹ By this time the deterioration of international morality in Europe and the Far East gave added point to a vigorous proclamation of inter-American solidarity. It was no longer enough to consult in the event of a physical menace to America’s security; it was also believed essential to agree upon concerted action against any and all subversive activities intended to undermine the domestic institutions of the Western Hemisphere. What form this action should take was long and hotly debated before the Declaration of Lima reached the signature stage. Both of the two largest countries, the United States and Brazil, were ready to go much further in specifying the nature of “concerted action” than was Argentina. In order to secure unanimity it was decided to put the agreement in the form of a declaration rather than a convention.

Nevertheless, there is no mistaking the intent of the Declaration of Lima. It at once affirms the spiritual solidarity of the American republics in the face of the fascist challenge and pledges their determination to protect this solidarity not only against armed attack, but against subversive propaganda and other types of indirect interference as well. Hoping to implement the consultative procedure envisaged by the Declaration, Secretary Hull at first proposed that the foreign ministers of all the American nations (or their alternates) should hold biennial meetings (except in years when a regular Pan-American Conference was in session). Still fearful of North American domination, the Argentine delegation objected to the establishment of any such *permanent* consultative arrangement—just as it had done two years earlier at Buenos Aires. The upshot was that the Declaration of Lima merely provides that the foreign ministers, “when deemed desirable and at the initiative of any one of them, will meet in their several capitals by rotation and without protocolary character” (that is, without formalized diplomatic procedure). Taken literally, this “rotary” arrangement scarcely makes good sense, for it might mean that “in a time of sudden crisis involving the safety of all America a score of Foreign Ministers could confer on measures of common defense only by journeying to some

¹¹ The official text of this document appears in the Appendix, p. 816.

remote and relatively inaccessible capital like Tegucigalpa.”¹² While no such provision would be apt to stand in the way of emergency action by the major American powers, it illustrates the lingering desire of South America to keep “the discussion of inter-American problems as much removed as possible from the influence of Washington.”

Even though Argentina might claim substantial victory on this controversial point, the Lima Conference adopted another resolution, known as the “Declaration of American Principles,” which reflects unmistakably the oft-reiterated views of Secretary Hull as to the proper canons of international morality.¹³ Although many of the principles of this Declaration are obviously contradicted by current international conduct, their significance lies in the spirit in which they were formulated. In the minds of the delegates assembled at Lima, it seemed important to set forth the democratic tenets of an American “code” as an example and guide for the rest of the world.

The Declaration of Lima signalizes the completion of the process by which the Monroe Doctrine, in fact if not in name, appears to have been transformed into a multilateral, inter-American policy—a policy of common defense against outside attack, and of equality, independence, and free coöperation within the American family. Addressing the closing session at Lima, Secretary Hull felicitously characterized the “new era” in Pan American relations in the following terms: “First we become free; then we acknowledge ourselves equal; then we unite in common friendship.”

Whether the overwhelming power of the United States, in relation to the rest of the American world, can be effectively sublimated, given the hard economic and military realities of the situation, only time can tell. In any event, the brunt of defending the Western Hemisphere against any menace to its security will fall upon the United States. An unmistakable recognition of this fact was voiced by President Roosevelt in a speech at Kingston, Ontario, on 18 August 1938, when he assured Canada that “the people of the United States will not stand idly by if domination of Canadian soil is threatened by any other empire.” In the American press this declaration was widely interpreted as an extension of the Monroe Doctrine to the Dominion of Canada, where the President’s speech received an enthusiastic response. Official Washington, however, took the position that it was merely “a logical if somewhat startling statement of a fact long since regarded as accepted in practice, if not written into the formal foreign policy of the United States.”¹⁴

¹² Shepardson, *op. cit.*, p. 291. Chap. X of this volume gives a good account of the setting and results of the Lima Conference.

¹³ The official text of this document appears in the Appendix, p. 817.

¹⁴ *The New York Times*, 19 August 1938.

This incident served to bring into discussion the question of Canada's future relationship to the Pan American Union. The Dominion has never participated in the conferences held under the auspices of the Union, nor has the Canadian government indicated any official desire to join, her ties with Britain and her sister dominions being far closer, on all counts, than those with any other American nation save the United States. Nevertheless, there is a growing body of opinion in Canada which now holds that membership in the Pan American organization would not be inconsistent with Canada's responsibilities in the British Commonwealth of Nations. This point of view perhaps minimizes unduly the difficulty of reconciling Canadian "cobelligerency" with Britain in a non-American war, and Canadian "neutrality" in respect to the republics associated together in the Pan-American system.¹⁵

TOWARD AN INTER-AMERICAN PEACE SYSTEM

All in all, there can be little doubt that the transformation of the Monroe Doctrine into an instrument of inter-American coöperation constitutes the most signal achievement of the Good Neighbor policy to date. A complementary line of endeavor, devoted to the construction of machinery for the coöperative *enforcement* of peace in the Americas, has produced less impressive results. Such progress as has been made consists more in the acceptance of pledges to employ *procedures* of pacific settlement than *guarantees* of their observance. By the time of the Montevideo Conference of 1933, the principle of pacific settlement may be said to have become legally binding upon the American world. This, indeed, was the essence of the conciliation and arbitration conventions of 1923 and 1929 described in an earlier chapter, the Kellogg Pact, and the Treaty of Non-Aggression and Conciliation, popularly known as the Argentine Anti-War Pact. Under the last-named instrument, fathered by the distinguished Argentine Foreign Minister, Dr. Carlos Saavedra Lamas, and signed at Rio de Janeiro in 1933, the ratifying parties condemn wars of aggression and agree not to recognize any situation brought about by the illegal use of force. It was in the hope of coördinating and strengthening these various instruments as bulwarks for peace and democracy in the Americas that President Roosevelt convened and opened in person the Buenos Aires Conference of 1936. One of the major achievements of this Conference was a "Convention to Coördinate, Extend and Assure the Fulfillment of Existing Treaties be-

¹⁵ It may be significant, however, that the Canadian government agreed to participate in an Inter-American Travel Conference, held in San Francisco in April 1939, under the sponsorship of the Pan American Union.

tween the American States." In addition to reaffirming their previously accepted obligations, the signatory governments agreed at Buenos Aires that the purpose of the machinery of consultation, already adopted, should be to assist, "through the tender of friendly good offices and of mediation" in giving effect to these obligations when disputes arose. While such consultation was in progress, they further pledged themselves not to "have recourse to hostilities or take any military action for a period of six months." If direct diplomatic negotiations should break down, they were to report to the other signatory states the method of peaceful settlement adopted and the progress made toward an adjustment of the dispute.

While this coördination convention partially satisfied those who held that "what was needed was not a new treaty but the better observance of those already adopted," it left untouched the problem of continuous collaboration on ways and means of *preventing* conflicts. Nor did it include any reference to *collective* action against breakers of the peace. As already noted, the position of the United States, on the first of these points, ran counter to that of Argentina. Dominated by its strongly pro-League foreign minister, Dr. Lamas, the Argentine delegation vigorously opposed Secretary Hull's plan for a Permanent Inter-American Consultative Committee, "partly on the ground that it suggested a political organization of the continent, contrary to the policy consistently followed with regard to the Pan American Union, and partly on the ground that it appeared to be an attempt to set up a sort of League of American Nations in opposition to the League at Geneva."¹⁶ Considerable support for the Argentine position was advanced by Chile, Uruguay, and Peru. For the sake of harmony, the United States delegation discarded the Hull project and the Conference went on record merely for the principle of obligatory consultation—without providing any permanent machinery.

On the initiative of Chile, however, the Conference adopted a treaty providing for the establishment of permanent *bilateral* mixed commissions between each American republic and every other American republic. Composed of representatives of each pair of governments, these commissions are to study the causes of possible conflict between their respective countries and to propose methods of eliminating friction.

For sixteen of the American countries, the difficulty of reconciling the new "neutrality" policy of the United States with their obligations as members of the League of Nations made it impossible to secure agreement on any kind of regional sanctions program. In case hostilities should break out between two or more American countries, the United States proposed that the other American republics should, as neutrals, join in applying an embargo on arms and loans. These restrictions, however, were to apply

¹⁶ C. G. Fenwick, "The Buenos Aires Conference," *Foreign Policy Reports*, 1 July 1937.

equally to all belligerents—aggressors and victims alike. This proposal failed to win any support from the League states represented at Buenos Aires, despite the insertion of a clause which stated that the embargo obligations would not apply if they conflicted with the provisions of other multilateral treaties to which the signatories might be parties. As finally adopted, the coördination convention elastically recognized the desirability that the signatory states should adopt “in their character as neutrals a common and solidary attitude, in order to discourage or prevent the spread of hostilities.” This left the United States as free to impose all-inclusive embargoes as it allowed the League members to join in collective sanctions against aggression in the Western Hemisphere.

During the interval between Buenos Aires and Lima, the collapse of collective security in Europe had a twofold effect upon the movement to develop a regional system for the enforcement of peace in the Americas. The Anglo-French capitulation at Munich caused many Americans, North as well as South, to lose faith in the whole collective security thesis. With others, it tended, on the contrary, to strengthen the belief that the New World could and should do what the Old World had failed to accomplish. Consequently there appeared on the Lima agenda various proposals that had this end in view. The two most advanced of these projects were (1) a Colombian-Dominican plan for an Association of American Nations, including provisions for the definition of aggression and sanctions, and (2) the so-called Mexican Peace Code, first introduced at Buenos Aires, which sought to consolidate in a single instrument all aspects of pacific settlement and set up in addition a sanctions system. Opinion in the Lima Conference was so divided on the feasibility of attempting to deal with sanctions, particularly in view of Washington's attitude, that both of these projects were referred for further study to an International Conference of American Jurists which was instructed to submit recommendations to the Ninth Pan-American Conference to be held at Bogotá in 1943. Similar action was taken with reference to a United States proposal for the establishment of Permanent Commissions of conciliation at Washington, Montevideo, and Bogotá. The Conference likewise postponed definitive consideration of several projects, strongly backed by various Latin-American nations, to create an Inter-American Court of International Justice.

Even though the Lima Conference was not disposed to establish either political or judicial institutions for the organization of peace in the American region, it did take action to further the codification of international law. By resolution it was provided (1) that a Committee of Experts, first created at Montevideo, should prepare and submit to the Pan American Union draft proposals for the codification of public and private international law and the unification of legislation, and (2) that the International Con-

ference of American Jurists, dating from the Third Pan-American Conference of 1906, should serve as the agency for revising, coördinating, and approving these drafts, and for submitting them to the Pan American Union in Washington for transmission to member governments.¹⁷

The Lima Conference also took cognizance of the need for expanding the work of the Pan American Union itself. Strictly speaking, the Union serves merely as the permanent secretariat for the International Conferences of American States which have met periodically (usually every five years) since 1890.¹⁸ The Union as such has no independent powers. Its status is fixed by resolutions passed by successive conferences. At the 1928 Conference a convention regulating the organization and functions of the Union was adopted, but it will not go into effect until and unless it is ratified by all the American states. The supervisory agency of the Union consists of a Governing Board, which is composed of the American Secretary of State and the diplomatic representatives of the other American states at Washington (or in case they have no such representative, some other person so designated). Until 1928, the American Secretary of State acted *ex officio* as chairman of the Board, but since that date it has elected its own presiding officer.¹⁹ The Board appoints the director general and assistant director of the Union and determines the manner of selecting its staff personnel, now numbering approximately a hundred individuals. The offices of the Union are located in the beautiful Pan-American building at Washington constructed a generation ago with the aid of a generous contribution from the late Andrew Carnegie. It is the duty of the Governing Board to approve the budget of the Union and to supervise the preparation of conference agenda.²⁰ At its monthly meetings the director general may be present in a consultative capacity, but he has no vote.

During the half century that has elapsed since Pan-Americanism became an organized movement, the Union has served two main objectives. First, it has functioned as a general clearinghouse for information concerning the commercial, agricultural, social, and educational life of the American republics. In this connection the Union publishes a monthly *Bulletin* and various reports on trade and finance; supplies information to schools, businessmen, scientific investigators, and officials; maintains a travel bureau; and operates the Columbus Memorial Library. Secondly, the Union at-

¹⁷ Cf. Edwin Borchard, "The 'Committee of Experts' at the Lima Conference," *American Journal of International Law*, April 1939.

¹⁸ Until 1910 the name of the Union was "The International Bureau of the American Republics."

¹⁹ Nevertheless, the Board members have continued, as a matter of courtesy, to elect the American Secretary of State.

²⁰ National quotas are apportioned according to population. Thus considerably over half the total budget is paid by the United States.

tempts to assist and stimulate the progress of official inter-American co-operation. It assembles data for and helps to prepare draft conventions; it aids in drawing up programs for Pan-American Conferences; and it acts as a depository of treaty ratifications.

Broadly speaking, at any rate until quite recently, the Pan-American movement has carefully avoided controversial political problems. For the first six decades of the movement, that is, until 1890, its leadership was supplied primarily by the Spanish-American nations.²¹ The United States seldom participated in the forty or so congresses held during this period, largely because their purpose was essentially *political*. On account of internecine jealousy and strife, little positive accomplishment resulted from this first phase of Pan-Americanism. The second phase was inaugurated during the 1880's under the vigorous leadership of the American Secretary of State James G. Blaine. Mr. Blaine saw in closer Pan-American ties great possibilities of trade and investment expansion for American industry. Dominated largely by American influences, the programs of most of the conferences held since 1890 have been *nonpolitical* in character. All but eight of the hundred or more conferences that have taken place have been for specific purposes. Many of these so-called *technical* or *special* conferences were initiated by resolution of the *general* conferences, the Pan American Union being instructed to make the necessary technical preparation for them. This *ad hoc* inter-American coöperation has ranged far and wide. Its scope includes a variety of *economic* problems—commercial relations, finance, customs procedure, trade-marks, official statistics, agriculture, and forestry; various aspects of *communications*, from which there have emerged a Pan-American Postal Union (with headquarters at Montevideo), a Pan-American highway now in process of construction, and regional agreements on aviation and radio; numerous phases of *social welfare*—sanitation and public health (leading in 1902 to the establishment of the Pan-American Sanitary Bureau), as well as child welfare, the Red Cross, and housing; and miscellaneous meetings of legalists, scientists, educators, and journalists.²²

While it is impossible to appraise accurately the concrete results that have flowed from this functional coöperation, there is no doubt that there

²¹ As conceived by Simón Bolívar, the great South American liberator, Pan-Americanism was intended to evolve into a Spanish-American federation, with Panama City as its capitol.

²² For a chronological and classified list, see "Inter-American Conferences 1826-1933" Department of State, Conference Series No. 16. S. G. Inman, *Problems in Pan-Americanism* (New York, 1925) gives an admirable survey of the background, progress, and difficulties of the Pan-American movement. See also, by the same author, *Latin America: Its Place in World Life* (Chicago, 1937); Stephen Duggan, *Latin America* (Boston, World Peace Foundation, 1936); and Charles A. Thomson, "Toward a New Pan-Americanism," *Foreign Policy Reports*, 1 November 1936.

have been tangible benefits, particularly for the less advanced countries of Hispanic America. But the work of the Pan American Union, especially in preparing for and following up the various conferences, has been handicapped by inadequate facilities. Budgetary limitations have prevented the development of an administrative staff large enough to handle the diverse functions of the organization. Albeit tardily, the Lima Conference of 1938 recognized the situation by instructing the Governing Board to study the financial needs of the Union and propose such increases in appropriations as it deemed desirable. The Board was also asked to prepare plans for "the administrative organization that will best enable the Union to discharge properly the functions entrusted to it." Another resolution urged the establishment of a continuing technical secretariat for Pan-American Conferences, to be at the disposal of the governments acting as host. The Governing Board was likewise requested to consider the advisability of holding the regular International Conferences of American States "at shorter intervals than is today the custom." A still more significant agreement provided that in the future all technical matters shall be considered at *special* conferences, while the agenda of the *general* conferences shall give preference to problems affecting inter-American peace and political relations. If this procedure is observed, it should lead to more unified and more manageable conference programs and a better rationalization of the coöperative processes of the Pan-American system.

For the first time, the relationship of this regional system of coöperation to the activities of world-wide international bodies received official attention at Buenos Aires and Lima. In such fields as communications, health, sanitation, social welfare, agriculture, labor, and education, the work of the Pan American Union and auxiliary agencies touches, if it does not overlap, that of the international administrative unions, the technical services of the League system, and the I.L.O. Accordingly, a resolution adopted at Lima urged the various Pan-American agencies to "coöperate with international bodies, in other parts of the world, within the limits imposed by their organic statutes and without affecting the integrity of the twenty-one American Republics," and "to coordinate the investigations they may carry on in the field of economic, social, cultural, and juridical activity." Already, the Pan American Union each month "furnishes the I.L.O. with data relative to labor conditions in the Republics of America. Efforts are now being made to integrate the work of the League's Institute of Intellectual Coöperation with the cultural and intellectual exchange program within the hemisphere. The Pan-American Sanitary Bureau is a member of the International Health Section of the League of Nations."²³ The I.L.O. has re-

²³ Walter W. Van Kirk, "The Lima Conference" (New York, 1939), p. 31. For the complete texts of the 112 declarations, resolutions, and recommendations approved by the

cently given special attention to labor problems in the Americas. Two regional conferences, the first at Santiago, Chile, in 1936, and the second at Havana in 1939, have been held to facilitate inter-American progress in the labor and social welfare fields.

Considering the precarious outlook for many of the international agencies that center in Europe, the importance of strengthening the Pan-American system and making it more "world-conscious" needs no argument. The cautious action taken at Lima indicates at least a partial realization of what an enlightened inter-American regionalism might contribute to the future welfare, not merely of the Western Hemisphere, but of the wider international world as well.

THE ECONOMIC AND CULTURAL FOUNDATIONS OF PAN-AMERICANISM

If Pan-Americanism is to rest upon a more solid base than that afforded by vaguely phrased resolutions full of noble pledges, it is clear that the economic and cultural relations of the American republics need to be far more assiduously cultivated than has hitherto been the case. There is no denying the fact that North and South America, far from forming a natural economic and cultural region have, until quite recently, had much closer ties with Europe than with each other. Until the Great War of 1914-18, the Pan-American movement was forced constantly to struggle with a rival movement known as "Pan-Latinism" which, under French leadership, aspired to weld the closest possible cultural bonds among all the Latin nations. Latin-American suspicion of Yankee motives, to which reference was made earlier in this chapter, made it doubly difficult for Pan-Americanism to win genuine support from the leadership of the Spanish- and Portuguese-speaking peoples of South America. The children of their ruling classes were accustomed to go to Europe for their education, and European (chiefly French) cultural influences, through visiting professors, books, and magazines, were dominant in such countries as Brazil, Chile, and Argentina. Geographically, even, the continent of South America juts eastward halfway across the Atlantic. If a line be drawn due southward from Detroit, it will pass through the Pacific Ocean without touching South American soil. Moreover, the travel connections of the United States with Europe have been much more effective than with such centers as Rio de Janeiro or Buenos Aires, and vice versa. (See the accompanying map.)

From the standpoint of economics, at any rate until after the first

Lima Conference, the reader is referred to *Eighth International Conference of American States* (International Conciliation, No. 349, Carnegie Endowment for International Peace, New York, April 1939).

World War, South America fell decidedly within the orbit of European trade and investment rather than within that of the great republic to the north. The large-scale migration of British capital to South America had greatly aided British commerce in acquiring a position which only Germany was beginning to challenge when the 1914 conflict came.²⁴

The economic handicaps suffered by Europe as a result of the War permitted the United States to expand markedly its Latin-American trade. Stimulated by large-scale loans from the New York banks, United States exports to Latin America had by the end of the 1920's climbed to 36 per cent of the total imports of the region. By 1933 this percentage had shrunk to less than 25.²⁵ Secretary Hull's reciprocal trade program was in no small part designed to recover the business which the United States traders were losing to German, British, and Japanese competition in Latin America. Ten of the agreements made under this program have been with Latin-American countries, among them Cuba and Brazil, our two largest American customers after Canada. The Hull policy, clinging firmly to "the most-favored-nation" principle, did not find it easy to combat the intensified barter and preferential arrangements which Germany, and to a lesser degree Britain and Japan, invoked in their new Latin-American trade drive. By 1936, Germany had displaced the United States as the chief source of Brazilian and Chilean imports, while Great Britain, which before 1914 held first place in Latin-American imports, had fallen to third rank. The German gains, indeed, were made more at British than at American expense. The Reich bought up large quantities of South American raw materials—minerals, coffee, and agricultural products—and resold at a profit what she could not herself absorb. In payment for these goods Germany flooded various South American countries with manufactured articles, some of which they did not need, and left these countries with large credits in special trade marks (aski marks) that had not been liquidated by the time of the European War of 1939.

In the meantime, Secretary Hull had continued at every opportunity to advance his liberal trade ideas. The American Secretary of State induced the Montevideo Conference to adopt a resolution calling for "economic disarmament." At Buenos Aires this phrase was given a more clear-cut definition in two further resolutions which pledged the American republics to support the principle "of abolishing or reducing trade restrictions in general" and to practice "equality of treatment in respect to whatever restrictions might be maintained. The necessary qualifications accompanying

²⁴ We are referring here, of course, to South America, and not to the Caribbean area, where the United States had passed its European competitors. (See p. 339, *infra*, for statistics on American investments in South America.)

²⁵ H. J. Trueblood, "Trade Rivalries in South America," *Foreign Policy Reports*, 15 September 1937.

both resolutions—that the policies were to be put into effect to the extent to which the ‘different national economies’ permitted—left practical application of the principles to future bilateral negotiations.”²⁶ The Lima Conference reaffirmed these declarations in even stronger terms and endorsed the negotiation of trade agreements “as the most beneficial and effective method of extending and facilitating international trade.”

Along with these trade resolutions efforts have been undertaken to improve inter-American communication facilities. The early completion of a Pan-American highway, begun in 1923, was pledged by the collaborating governments at Buenos Aires and again at Lima. The development of more adequate maritime shipping and port facilities, commercial aviation, and radio broadcasting was the subject of several other resolutions at Lima. Since 1936 the Maritime Commission of the United States government has embarked upon an ambitious program of ship construction in which are included a number of large express liners for South American traffic—the so-called “Good Neighbor” fleet. Due, however, to the extensive maritime subsidy policy pursued by most European governments, vessels flying the American flag were still heavily outnumbered at the outbreak of the current European war.

Although the year 1938 marked a generally favorable trend in the commercial relations of Latin America and the United States, Argentina, partly in retaliation for the failure of the American Senate to ratify a Sanitary Agreement allowing the importation of Argentine cattle into the United States, reduced its purchases of American goods by 40 per cent.²⁷ This situation helped to complicate negotiations for a trade agreement which got under way during 1939. Protests from American farming and copper interests were hindering efforts to conclude two other agreements pending with Chile and Uruguay.

When one surveys the general outlook for inter-American trade expansion, two obstacles appear to stand in the way. The first is the obvious fact that, with a large favorable trade balance already, the United States cannot hope to increase her sales to Latin America without also increasing her purchases. Unfortunately, most of what that region has to export, over and above existing sales, consists of commodities of which the United States already has a surplus. The problem, therefore, reduces itself to whether it is possible to develop new South American products which the United States needs and cannot produce herself. Among such materials are tin, antimony, tungsten, bismuth, mica, lead, and zinc, as well as certain non-

²⁶ Fenwick, *op. cit.*, p. 97.

²⁷ By 1938, the portion of Latin-American purchases originating in the United States had climbed back to 34 per cent, as compared with 14 for Germany and 12 for Great Britain.

competitive agricultural products like hard woods, numerous tropical plants (from which come such products as Manila hemp, and quinine), and above all, rubber, for which the New World now depends upon the Far East. During recent years experts from the United States Department of Agriculture have been assisting various Latin-American governments in experimentation to this end.²⁸ What can be done in this direction will, however, take time and may not yield as great an ultimate dividend in increased trade as its advocates hope.

The second limitation is financial. If the Latin-American market is to be developed on an extensive scale, a resumption of foreign lending will be necessary. For this outside capital, the United States now constitutes the chief, if not the only, available source. The South American nations are, however, in default on more than a billion dollars in United States loans floated by private bankers during the 1920's. Until reasonably satisfactory arrangements are made for the liquidation or refunding of this indebtedness, American investors are likely to be reluctant about placing additional funds in Latin America. Realizing this situation, but desirous, nevertheless, of stimulating United States exports to the other Americas, the Roosevelt Administration recently authorized the Export-Import Bank, a government credit agency, to lend several million dollars to Brazil and smaller amounts to Haiti, Nicaragua, and Paraguay.²⁹ During 1938-39 the Treasury Department at Washington was reported to be studying the feasibility of a long-range program of financial aid in the development of sound central banking systems in Latin-American countries, with a view to using some of its excess gold reserves south of the Rio Grande. While the general purposes of this lending policy won the approval of American opinion, it did not escape criticism. There were those who feared that the money would be used by Latin-American governing groups, partly to liquidate the Wall Street loans still in default, partly to finance "pet" enterprises which would do nothing toward building up mass purchasing power in Latin America. There were others who doubted the efficacy of opening up credits ostensibly for the purpose of expanding exports from the United States until and unless North Americans were willing to buy more Latin-American products. Such critics argued that, if loans were to be made through the Export-Import Bank, definite conditions should be attached to the transactions, so as to insure that the proceeds would be applied to useful public works and actual monetary needs rather than to aid "dictatorial" cliques to consolidate their position.³⁰

²⁸ See Secretary H. A. Wallace's suggestive address, "Pan-America—The Road of Our Destiny," before the Commonwealth Club of San Francisco, 27 October 1939.

²⁹ For official correspondence, see S. S. Jones and D. P. Myers, *op. cit.*, pp. 132-49.

³⁰ See K. Rodell, "Buying 'Good Will' in Latin America," *The New Republic*, 22 November 1939.

In order to further financial collaboration among the American republics, the Lima Conference recommended that informal meetings of Treasury representatives be held at least once a year. The first of these gatherings took place at Guatemala City in November 1939. Among other matters this conference discussed the desirability of establishing an inter-American bank. At the consultation of American Foreign Ministers held at Panama shortly after the outbreak of war in Europe (23 September—3 October), it was decided to create an Inter-American Economic and Financial Advisory Committee to function during the emergency arising out of the new war. This Committee was instructed to study methods of cushioning the economic shock of the war upon the Americas; more specifically, to consider the possibility of effecting a customs truce, of reducing duties, and of modifying or abolishing import licenses; and to explore the feasibility of establishing new industries, of organizing an Inter-American Commercial Institute, and of using silver as one of the media for international payments. The Committee held its inaugural session at Washington on 15 November 1939 and was reported, at the time these lines were written, to have decided to set up a permanent technical secretariat. Whether other tangible results would follow appeared to depend upon how far the United States government would be willing to go in the direction of concrete financial assistance.

The importance of strengthening inter-American cultural relations has received almost as much attention during the last three years as has the problem of economic coöperation. *Moral* as well as *economic* disarmament is the professed goal of those who, like Cordell Hull, sincerely believe in a virile *Pan-Americanism*. As a definite step toward this end, the Buenos Aires Conference unanimously adopted a Convention for the Promotion of Inter-American Cultural Relations. This agreement provides for the annual award by each ratifying government of a fellowship to two graduate students or teachers (presumably in elementary and secondary schools) of every other American country, the recipients to be selected from a panel of five names submitted by each government to every other. In addition, each country is to communicate every alternate year a list of professors available for exchange appointment as lecturers, instructors, or research investigators, in the other countries. Travel costs are to be defrayed by the sending government while other expenses will be shared. In the language of the American Under Secretary of State, Mr. Sumner Welles, it is hoped that "such cultural exchange will contribute enormously to a better appreciation abroad of the methods of government and of the habits of thought and modes of life in each of the respective countries, and will assist greatly in preventing the misconceptions and needless misunderstandings which unfortunately have so often prejudiced inter-American relations in the

past.”³¹ By the autumn of 1939 twelve governments, including the United States, Brazil, and Chile, had ratified this educational convention and machinery for carrying its provisions into effect was being set up.

Many other resolutions bearing upon educational and intellectual matters were voted at Lima. Among these were agreements to facilitate the interchange of publications and interlibrary coöperation; to develop radio broadcasting for educational purposes; to organize frequent expositions of books; and to disseminate more widely the works of American artists and composers. The teaching of the ideals of democracy and international peace in the schools and the revision of history textbooks in the interest of truth were the subject of additional recommendations. It was further recommended that, in so far as possible, the curricula of intermediate, normal, and special education in the various American countries should include instruction in Spanish, Portuguese, English, and French—the four languages spoken in the Western Hemisphere.

The defense of racial and religious freedom attracted special attention from the delegates at Lima. Adopting a strongly worded resolution proposed by Cuba, the Conference declared that “any persecution on account of racial or religious motives which makes it impossible for a group of human beings to live decently, is contrary to the political and juridical systems of America.” Thus the American republics placed themselves officially on record against the intolerance of European totalitarian systems. Still more pointed was the declaration that denied to alien residents the right to claim collectively the privileged status of “minorities,” although as individuals they might “continue to enjoy the rights to which they are entitled.” If this was directed at the “subversive activities” of German and Italian *émigrés*, a second resolution struck unmistakably at the recent policy of the Nazi government requiring that German residents participate in plebiscites by going aboard German ships to vote. At Lima the principle was laid down that aliens are subject to domestic jurisdiction and the American governments were called upon to consider the adoption of measures “prohibiting the collective exercise within their territory, by resident aliens, of political rights invested in such aliens by the laws of their respective countries.”

Today it is fair to say that the American republics are more nearly united by bonds of common interest and common aspiration than ever before in their history. The current effusion of good will remains, however, to be tested. Will it survive the sense of defensive solidarity which the menace of non-American totalitarianism has so helped to create—after that menace has ceased to exist? Will a strongly conservative administration,

³¹ “The New Era in Pan American Relations,” *Foreign Affairs*, April 1937.

were it to come into power at Washington, be likely to continue a "Good Neighbor" course—or will the forces of "dollar diplomacy" reassert themselves? Will the Latin-American borrowers of North American capital realize that they, too, have a responsibility if the mutual confidence necessary to healthful economic development is to be established? No one yet knows the answer to these questions.

There are, indeed, disturbing factors—the existence of open or disguised dictatorship, even though not of the totalitarian variety, in a number of Latin-American countries, the stubborn roots of economic nationalism, the long-standing commercial rivalries. It will take more than "paper" resolutions, no matter how numerous or fine sounding, to control these sources of friction. As a distinguished Panamanian jurist recently remarked, "Pan-Americanism still has a long way to go." But it is making progress.

For the first time, one may almost say, it is being taken *seriously* by both public opinion and the government in the United States. In 1937 the State Department merged its Divisions of Latin-American and Mexican Affairs into a stronger-knit Division of the American Republics—the very name being intended to reflect the new spirit of coöperation. A year later a Division of Cultural Relations was created by the Department, not to serve as an agency of propaganda, but to implement the Lima program of cultural coöperation. During the latter part of 1939, this Division sponsored a series of conferences on inter-American relations in Washington which brought together representative groups of educators, school administrators, librarians, publishers, writers, musicians, and artists to consider ways and means of strengthening the cultural ties of English and Hispanic-speaking peoples in the new world. A special interdepartmental committee, appointed by President Roosevelt in 1938 to suggest concretely what the Federal government might do, recommended a program embodying seventy-four proposals and touching more than a score of Federal administrative agencies. Two of the most interesting proposals called for the "loan" of technical specialists to the Latin-American republics and for in-service training to be given their officials at Washington.³² Another commission set up by the President urged the establishment in Puerto Rico of an Inter-American University. This would consist of graduate schools and research units grouped around the University of Puerto Rico. Research in tropical medicine, tropical agriculture, and tropical fisheries would be special features of such an institution. The great radio broadcasting systems of the United States are expanding their news and entertainment service by short wave to South America, while belated efforts are under way to improve and

³² A summary of the report of this Committee appeared in *The New York Times*, 30 November 1938.

make less costly the facilities for travel between the two American continents.³³

By 1939 such undertakings as these were possible only in the hemisphere still blessed with peace—the only hemisphere still internationally organized, however loosely, on a voluntary, coöperative basis. Speaking before the Governing Board of the Pan American Union in April 1939, President Roosevelt put into felicitous form the significance of this situation for the rest of the world: “The truest defense of the peace of our hemisphere must always be in the hope that our sister nations beyond the seas will break the bonds of the ideas which constrain them toward perpetual warfare. By example we can at least show them the possibility. We, too, have a stake in world affairs.”³⁴ Less than six months later Europe was engulfed in war. The issue long debated in calmer times became the supreme question of the hour: Could America, should America, keep out of another major *non-American* conflict?

³³ According to the head of the International Division of the National Broadcasting Company, this system alone was providing in 1939 more hours of short-wave programs to South America than all of the European systems put together. The Hays organization reported that films from Hollywood supplied 75 per cent of the total playing-time in Latin-American movie houses.

³⁴ *The New York Times*, 15 April 1939.

XXX

AMERICAN "NEUTRALITY" RECONSIDERED

THE "GREAT CRUSADE" TWENTY YEARS AFTER

For a proper understanding of the "neutrality" issue, it is necessary to appreciate the extent to which American public opinion has, in recent years, come to question the wisdom of American participation in the Great War of 1914-18. The long, drawn-out tangle over the war-debt question may perhaps be cited as the first factor tending toward such a change of heart. As the years went on, "Uncle Sam" grew weary of being dubbed "Uncle Shylock" by the European press. Concomitantly there appeared a succession of historical studies by eminent scholars which, in varying degree, reached the conclusion that Germany was not exclusively to blame for the outbreak of the War; that the conflict was, in large measure, a struggle between rival imperialisms for which all the major participants must bear a share of responsibility. This being so, the much-publicized harsh features of the Peace of Versailles seemed to an increasing number of Americans all the more indefensible, few of them realizing the degree to which the treaty settlement was gradually being modified by peaceful adjustment. There was further popular disillusionment because victory in a war "to make the world safe for democracy" had ostensibly sown the seeds of dictatorship throughout Europe.

But the most important influence in the revaluation of the "Great Crusade" of 1917-18 came from the Nye munitions investigation of 1934-36. Testimony given before the Nye Committee, filling several thick volumes, was so interpreted for the popular mind as to make the Wall Street bankers and munitions manufacturers the "devils in the piece." According to the Nye analysis, it was pressure from these two powerful interest groups that operated as the decisive factor in the situation and converted President Wilson into an interventionist by the spring of 1917. A flood of popular books and magazine articles, condemning "the merchants of death" and the "war profiteers," helped to spread this *economic* view of why America

went to war.¹ Finally, the advent of high-pressure propaganda under totalitarian auspices stimulated a series of inquiries into the insidious rôle played by Allied (chiefly British) propaganda in manufacturing prowar sentiment in the United States.² While not denying that economic interest and propaganda were important conditioning factors in the fateful decision of 1917, many distinguished American historians still support the thesis that "Germany's submarine policy was the primary cause of our being entangled."³ There is nothing to indicate that either President Wilson or Congress was markedly influenced by economic pressures in arriving at the decision to declare war.

THE FIRST STAGE OF THE "NEUTRALITY" CONTROVERSY

The controversial aspects of this "appeal to history reinterpreted" were reflected in the confusion of mind that seized the American public by 1935. As the prospect of another explosion in Europe grew more real, an ardent desire to keep out of war became the *idée fixe* of an overwhelming majority of the American people. This desire was indicated repeatedly in the public pronouncements of President Roosevelt and Secretary Hull, by endless debates in Congress, and by sample polls conducted by Dr. Gallup's Institute of Public Opinion. But on the question of how American "neutrality" might best be preserved, there were wide differences of opinion. On this problem the country may be said to have become divided into three major schools of thought. There were those, first of all, who continued to cling to the traditional view that our neutral right to trade under international law should be maintained—a view, be it noted, which failed to take into

¹ See C. A. Beard, *The Devil Theory of War* (New York, 1936), for an effective critique of this oversimplification of the problem. Among the recent books emphasizing the economic motivation of American entry, C. C. Tansill's *America Goes to War* (Boston, 1938) merits first attention for scholarly thoroughness and balance. Walter Millis's *Road to War* (Boston, 1935) is a more readable but less carefully documented account.

² Notable among such studies are J. D. Squires, *British Propaganda at Home and in the United States from 1914 to 1917* (Cambridge, Mass., 1935); H. C. Peterson, *Propaganda for War* (Norman, Okla., 1938); and C. Hartley Grattan, *The Deadly Parallel* (New York, 1939).

³ This is the view taken by Charles Seymour in his *American Diplomacy During the World War* (Baltimore, 1935) and *American Neutrality 1914-17* (New Haven, 1935). Newton D. Baker, in his *Why We Went to War* (New York, 1936), vigorously defends this position. After reflecting on the total evidence to date, Sidney B. Fay lists the causes of American entry in the following order of importance: (1) disregard of American rights involved in the German submarine policy; (2) German methods in beginning and conducting the war; (3) Anglo-Saxon traditions and sentiment, along with native American idealism; (4) Allied propaganda; (5) economic influences; and (6) fear for the ultimate safety of America. (See his "Recipes for Neutrality," in the *Saturday Review of Literature*, 4 November 1939.)

account the effect of the submarine on the conditions of maritime warfare or the virtual disappearance of the pre-1914 distinction between contraband and noncontraband goods.⁴ Not large at any time, this "school" tended steadily to decline in strength as the specter of a new war drew closer.

A second group, probably representing the majority sentiment, proposed that Congress should enact legislation making mandatory an embargo on the export of munitions and war materials to all belligerents alike in the event of war. Popularly known as "isolationists," the members of this school differed among themselves as to how inclusive the embargo should be. Logically, it was recognized that the isolationist position called for the complete abandonment of American economic interests abroad, which, in case of a general war, would have a disastrous effect upon the American economy at home. Realizing that Congress would never be willing to adopt any such drastic policy, most of the "neoneutrality" school took an intermediate position, demanding only an embargo on arms and loans, together with varying restrictions on American travel and American shipping in time of war, and advocating, by 1937, the so-called "cash and carry policy" for sales of war materials to belligerents. Running through all the proposals that emanated from the isolationist camp was a deep-rooted suspicion of executive discretion. Because of the fact that the conduct of foreign policy, short of declaring war, is placed by the American Constitution in the hands of a popularly elected president, it is all too easy for him to maneuver the country into situations leading straight to war. His discretionary power, therefore, must be clipped in advance by Congress. Thus argued Senators Nye and Clark, two of the most vociferous spokesmen for a mandatory "neutrality" policy.

The third school of thought is difficult to classify. In general, its proponents agreed with the second group in abandoning the traditional claim to "freedom of the seas." But from that point on the two groups parted company. The third focused attention upon the use of executive discretion as a means (1) of preventing recourse to force by potential aggressors and (2) of aiding their victims in case war should nevertheless come. The President, they said, "should have power to impose embargoes at his discretion, including the power to discriminate against an aggressor." This position implied that the United States should cooperate with other peacefully inclined nations, presumably on the basis of the Kellogg Peace Pact, for the purpose of checking aggression through collective action.⁵ Since

⁴ The best exposition of this view is contained in E. M. Borchard and W. P. Lage, *Neutrality for the United States* (New Haven, 1937), and John Bassett Moore, "An Appeal to Reason," *Foreign Affairs*, July 1933.

⁵ See Quincy Wright, "The United States and Neutrality," *Public Policy Pamphlet No. 17* (University of Chicago, 1935) for an excellent defense of this point of view.

America could not hope to escape involvement in a prolonged general war, it seemed but good sense to use its immense moral and economic power in order to lessen the probability of such a conflict. In a democracy like that of the United States, the Chief Executive could be trusted not to act without the support of public opinion. Moreover, the issues of foreign policy are so complex and so constantly shifting that it would be unwise to try to "legislate peace" in advance.⁶ To the "coöperationists" isolationism was no less unworkable than the defense of traditional neutral rights. The only way to keep out of war, they held, was to create conditions which would prevent resort to war. Thus was the battle joined with the other two camps.

The Italo-Ethiopian conflict provided the occasion for the enactment of the first piece of legislation designed to put the "new neutrality" to the test. By joint resolution, dated 31 August 1935, Congress instructed the President to impose an embargo on the export of arms, ammunition, and implements of war to all belligerents alike, "upon the outbreak or during the progress of war," but gave him discretionary power to prohibit American citizens from traveling on the ships of belligerent states except at their own risk. This Act also set up a National Munitions Control Board to register munitions plants and grant export licenses to munitions manufacturers. As a temporary compromise, the provisions of this law were to remain in force only until the end of February 1936.⁷ Meanwhile, President Roosevelt proceeded to apply the arms embargo against both Italy and Ethiopia, although he lacked legal authority to stop shipments of oil or other essential war materials. Consequently, American exports of petroleum and other war products to Italy and Italian East Africa increased from 200 to 300 per cent during the closing months of 1935.

When the time came to consider more permanent "neutrality" legislation, the Administration brought forward a bill to prohibit the export of all war materials in excess of "normal quotas," with the proviso that no restrictions might be imposed on food, clothing, or medical supplies. The arms embargo provisions were to remain unchanged. So much opposition developed in the Senate to coöperation with the League of Nations, even

⁶ See A. W. Dulles and H. F. Armstrong, *Can We Be Neutral?* (New York, 1936) and *Can America Stay Neutral?* (New York, 1939); P. Bradley, *Can We Stay Out of War?* (New York, 1936), and F. R. Coudert, "Can Present Legislation Guarantee Future Neutrality?" *International Conciliation*, No. 327, February 1937. For a comprehensive treatment of the neutrality problem, see *Neutrality: Its History, Economics and Law* (New York, 1936-37); Vol. I, *The Origins*, by P. C. Jessup and F. Déak; Vol. II, *The Napoleonic Period*, by W. A. Phillips and A. H. Reede; Vol. III, *The World War Period* by E. Turlington; and Vol. IV, *Today and Tomorrow*, by P. C. Jessup.

⁷ It was President Roosevelt's proclamation, designating the various categories of "arms, ammunition and implements of war," which was adopted by the League of Nations in defining the scope of its arms embargo against Italy.

by this indirect route, that the quota restrictions were eliminated and the President's discretion was narrowed still further by a second "temporary" measure which passed Congress on 29 February 1936. This life of this second act was to extend to May 1937. According to its provisions, the President was *required* to order an embargo on arms, ammunition, and implements of war whenever he found a state of war to exist and to extend such embargo "to other states as and when they may become involved in such war." In addition, a mandatory embargo of all loans (except ordinary commercial credits) to belligerent powers was incorporated into the new legislation. As a backhanded slap at Geneva, Congress exempted the American republics from the provisions of the act except when coöperating with non-American states in a war against other American states.

THE NEUTRALITY ACT OF 1937

When Congress assembled for its 1937 session, the Spanish civil war had been in progress six months. Following the Anglo-French noninterventionist policy, the Roosevelt Administration, despite protests from liberal circles, requested authority to apply the embargo to both sides in Spain. This authority was promptly granted by a special joint resolution applicable to that country only. There followed the problem of devising a more permanent general policy. Again the main issue was the extent to which war materials should be subject to embargo. By this time the "mandatory" school had lost much strength. A growing opinion held that to prohibit the export of basic raw materials during a major war would not only wreck American foreign trade, but would confer an indirect advantage upon such powers as Germany and Italy which, with their policy of autarchy, could not buy from the United States anyway. After many weeks of discussion a way out of the dilemma was found in the so-called "cash-and-carry" plan. Concretely, this plan provided that war materials might be exported to belligerents provided (1) that full legal ownership passed to the purchaser before the goods left American shores and (2) that they were carried in non-American ships, the theory being that American citizens would therefore have no claims for damages in case the goods were captured or destroyed.

While a majority of the members of Congress were ready to give this ingenious proposal a trial, they decided to limit its application to a two-year period. Furthermore, the Neutrality Act of May 1937, as finally adopted, left it to the judgment of the President to determine *if* and *when* the "cash-and-carry" restrictions should go into effect, as well as to decide what commodi-

ties they should cover.⁸ This represented a substantial victory for the Administration's point of view over that advocated by the rigid "neutralitarians." Under the Act of 1937, moreover, the President alone was to be the judge of the existence of "a state of war" or of "civil strife." Once he issued a "neutrality" proclamation, he could, in his discretion, prohibit the use of American ports as a base of supply for belligerent warships or by foreign submarines and armed merchant ships, except in accordance with regulations.

In addition to declaring an embargo on arms and loans, the new law *compelled* the President to forbid (1) the solicitation of war contributions in the United States, (2) the shipment of arms or implements of war in American vessels to belligerents, (3) travel by American citizens on belligerent vessels, and (4) the arming of American merchantmen. To this extent Congress attempted to legislate future policy in advance. Yet the "isolationists" were far from satisfied. Their spokesmen did not fail to point out that, since most of the eight billion dollars' worth of foreign deposits in American banks and American securities and other properties were owned by nationals of the European democracies, since, moreover, those countries also had large gold reserves and controlled the Atlantic Ocean, a wartime trade boom might easily develop even on a "cash-and-carry" basis. Long before belligerent credit was exhausted, American manufacturers, industrial workers, miners, wheat farmers, and cotton growers would have acquired a vital stake in the continuance of this trade—by loans if necessary. Such a situation might very well generate strong emotional and economic pressure upon Congress for the revision or repeal of the law. Nor was there anything in the Act "to prevent American industries from establishing branch factories abroad for the purpose of manufacturing munitions, or from raising funds in the American market in time of war to finance such production if carried on in neutral countries."⁹

In summing up the intent of Congress in voting the neutrality resolutions of 1935-37, it is fair to say, with Messrs. Shepardson and Scroggs, that "the underlying principle was isolation—but only as much insulation as the traffic would safely bear. So far as munitions-makers and international bankers were concerned, their isolation from war contacts was to be complete. Not so for others whom Congress may have deemed less able to withstand the dislocations of an embargo, or whose political disapproval it may have feared. . . . The law of 1937 was not designed to eliminate war by making it profitless. On the contrary, the 'cash-and-carry' plan was

⁸ The President might also make "limitations and exceptions" as to "lakes, rivers, and inland waters bordering on the United States" and as to "transportation on or over lands bordering on the United States"—a provision designed to permit American trade with Canada to go on even during war.

⁹ R. L. Buell, "The Neutrality Act of 1937," *Foreign Policy Reports*, 1 October 1937.

plainly a device for making money with a minimum of risk. It was a tacit denial of the widely propagated view that the profit motive had drawn the United States into the conflict in 1917, and it actually implied the acceptance by Congress of the theory that Germany's submarine policy had been a principal factor."¹⁰ Certain influential newspapers, critical of the rigid features of the Act, ironically commented that it appeared to be "designed to keep the country out of the last war rather than the next one."¹¹ Certainly it was the probability of a European war, with the dictatorships aligned against the democracies, that Congress had in mind in framing the legislation of 1937. Senator Pittman, chairman of the Senate Foreign Relations Committee, admitted with others that its objective was not to guarantee American neutrality in the sense of treating all contestants with impartiality, but rather to lessen the chances of entanglement in time of war. In the Atlantic area the "cash-and-carry" policy would, of course, work to the advantage of Britain and France, because of their control of the sea, but in the event of aggression by Japan against China, the interests of the aggressor would probably be served. By virtue of its superior maritime strength, Japan could continue to buy and transport war materials from America, so long as it could pay for them, whereas China, without ships of her own, would be handicapped.

Within four months of the passage of the 1937 Act, the undeclared war which broke out between Japan and China created precisely this situation. American popular sympathy for China was overwhelming. Taking advantage of the absence of a formal declaration of war by either side, President Roosevelt refused to invoke the Neutrality Act "on the ground that a proclamation that a 'state of war' existed might aggravate the conflict and reduce the influence of the United States for peace."¹² This refusal evoked some criticism from isolationist quarters, but on the whole the country supported the President's decision. Simultaneously, Secretary Hull addressed to sixty governments a strongly worded statement setting forth the canons of international conduct which the United States believed to be essential for a peaceful world. Although there was no direct mention of Japan, the purport of the Hull pronouncement left no one in doubt. Yet, notwithstanding parallel diplomatic moves by Washington and London, the Japanese aggression continued, with aerial bombardment of civilian populations, as well as invasion by land and sea. Eager to inaugurate a more positive peace policy, President Roosevelt, speaking at Chicago on 5 October 1937, dra-

¹⁰ *The United States in World Affairs, 1937*, p. 51.

¹¹ *The New York Herald Tribune*, on 1 May 1937, suggested editorially that the new law should be entitled "An Act to preserve the United States from intervention in the War of 1914-18."

¹² W. T. Stone, "Will Neutrality Keep U. S. Out of War?" *Foreign Policy Reports*, 1 October 1939.

matically pointed out the need of a collective "quarantine" of aggressors in order to protect the rest of the world community from the "contagion" of war.

In internationalist circles this "quarantine" speech was enthusiastically received and for a brief moment it looked as if the Administration might be preparing a program of concrete coöperation with the other signatories of the Nine-Power Treaty against Japan. But popular reaction at home, as reflected in the press and by a poll of members of Congress, showed that only a small minority favored participation in any kind of sanctions program. The failure of the Brussels Conference, noted in a preceding chapter, ended all hope of concerted action in the Far East. "The sinking by Japanese airplanes of the American gunboat "Panay," which was evacuating refugees and escorting three American tankers, provoked an official crisis—but left most Americans unmoved. Secretary Hull made strong representations, insisting that American ships were in Chinese waters 'by uncontested and incontestable right'; demanded full indemnification; and called upon Japan to assure us that American interests and property would not again be molested. On all these points Japan complied."¹³ Subsequent diplomatic protests to Tokyo, on the occasion of each and every encroachment on American rights or interests in China, were not always so effective. For this reason, as well as on broader humanitarian grounds, Secretary Hull appealed to American airplane manufacturers in June 1938 to refuse to sell aircraft to countries whose armed forces were bombing civilian populations from the air.¹⁴ A virtually complete observance of this plea for a "moral embargo" forced Japan to look to other sources for her aircraft needs. Some months later the Administration gave positive aid to China by authorizing a loan of \$25,000,000 through the Export-Import Bank, the proceeds to be used for "agricultural and manufactured products." Although by these two actions the Executive was indirectly, informally, and partially proceeding along a path not authorized by law, public opinion, itself clearly not neutral, upheld such "quasi sanctions." But they were not enough to check Japanese aggression.¹⁵

In the meantime, the conflict between the Roosevelt Administration and

¹³ L. M. Hacker, *American Problems of To-day* (New York, 1938), p. 324.

¹⁴ Almost simultaneously, the Senate adopted without dissent a resolution unqualifiedly condemning "the inhuman bombing of civilian populations."

¹⁵ Further pressure was put on Japan by the announcement, in July 1939, of Washington's intention to terminate the American-Japanese Commercial Treaty of 1911. The six-month notification period expired at the end of January, 1940, and the United States was free thereafter to adopt any policy it might wish. Although no action had been taken by press time, the Japanese government had been warned officially that Japanese-American commercial relations existed on a "day-by-day" basis. Senator Pittman had a resolution pending in the Senate which would instruct the President to impose a formal embargo on the sale of all war materials to Japan.

the isolationist forces over "neutrality" had broken out afresh. As the year 1937 drew to a close, certain isolationist spokesmen, still suspicious of executive discretion and not trusting Congress to withstand presidential pressure for a declaration of war, advanced the novel idea that the people themselves should have the right to vote on the question. According to this proposal, before Congress could declare war (except in the case of actual invasion), it must obtain popular approval by means of a direct popular referendum. Various sample polls conducted by the Institute of Public Opinion since 1935 had revealed that the war referendum idea was favored by a substantial majority of the participants. Representative Ludlow, of Indiana, embodied this doctrine in a resolution for a constitutional amendment which received the active support of numerous peace organizations. Shortly after the "Panay" incident, a concerted drive was made to get the Ludlow resolution out of Committee so that it might be debated on the floor of the House of Representatives. Thoroughly alarmed lest discussion might give encouragement to foreign governments with aggressive designs, the President and Secretary of State marshaled their forces against this maneuver. To their aid came former Secretary Stimson, who, in a widely circulated letter to *The New York Times*, contended that such a proposal was incompatible with the American system of "representative" government, that it would "revolutionize and destroy our existing plan of national defense" as well as the Monroe Doctrine, and that a referendum campaign would probably incite emotionalism and bitter partisanship at the very time when the country ought to remain calm and united. The President wrote to the Speaker of the House that the adoption of the resolution "would encourage other nations to believe that they could violate American rights with impunity." There were some who suggested further that the effect of the referendum would be to arouse a martial spirit prior to a war and surround any war ordained by popular oracle with a "divine halo," or perhaps lead to "undeclared wars" of the Administration's own making. Others doubted whether the people would be any less immune to bellicose propaganda than Congress. The Congressional debate on the Ludlow resolution shattered party lines. Only by a narrow vote was the motion to discharge the committee defeated and the Administration sustained. In February 1938, Senator La Follette, supported by eleven of his Western colleagues, introduced a similar resolution; but the campaign for a referendum on war gradually waned as the dramatic succession of events in Europe brought the "neutrality" issue again to the fore.

REPEAL OF THE ARMS EMBARGO

The forced annexation of Austria, followed six months later by the Munich "settlement," caused an increasing proportion of Americans to doubt whether their country could remain out of another general war.¹⁶ Sample votes showed a rapidly mounting sympathy for the European democracies—despite widespread disapproval of the Chamberlain-Bonnet "appeasement" policy. Even the isolationists did not remain united in support of any single neutrality policy. One faction, represented by no less a personage than Senator Nye, came out for the repeal of the Spanish arms embargo insofar as it affected the loyalist government recognized by the United States. By American left-wing groups, moreover, a vigorous drive to aid the Spanish loyalists against fascism was undertaken. Secretary Hull, however, took the position that it would be preferable to consider the *general* revision of existing neutrality legislation rather than attempt to rewrite it *piecemeal*. For permitting airplanes to be shipped to Germany, while forbidding such shipments to Spain, the State Department brought upon itself considerable criticism, but it held its ground.¹⁷

By the opening of 1939 it was evident that "Congressional neutrality" had not worked quite as its advocates had anticipated. They had not foreseen such widely dissimilar situations as the Italo-Ethiopian struggle, the Spanish Civil War, the Sino-Japanese "undeclared" war, and the bloodless conquests of Nazi Germany. American opinion was as strongly united in its condemnation of the brutal dismemberment of Czechoslovakia as it had been in protesting against the ruthless Japanese invasion of China. Yet official American policy had done little or nothing to deter or check either aggression. In a message to Congress on 4 January 1939, the President, still eager to end this illogical state of affairs, called for a "positive" foreign policy based on "methods short of war, but stronger and more effective than mere words. . . . At the very least," he went on to say, "we can and should avoid any action, or any lack of action, which will encourage, assist, or build up an aggressor."

For some reason the Administration delayed nearly five months before taking any concrete step to secure new legislation. During the inter-

¹⁶ The number believing America could stay out dropped from 62 per cent in January 1937 to 43 per cent two years later, and to 24 per cent in August 1939, according to polls conducted by the Institute of Public Opinion.

¹⁷ See the Report of the Committee on International Law of the National Lawyers Guild, in the *National Lawyers Guild Quarterly*, September 1938. This argument rested upon the legalistic contention that, since the Treaty of Versailles banned arms shipments to Germany, and since these provisions were incorporated into the separate peace treaty between the United States and Germany, it was illegal to sell arms to present-day Germany.

vals a plethora of bills and resolutions choked the docket of the Senate and House committees on foreign affairs. Ranging all the way from an airtight embargo on all war materials to complete abandonment of "neutrality," these proposals reflected the confusion of mind into which Congress and country alike had fallen. Even after months of debate, no majority could be obtained for any bill. At this belated juncture, Secretary Hull intervened with a six-point program which included the repeal of the arms embargo altogether, the prohibition of American ships from entering combat areas, and the provision that exports of goods destined for belligerents should be preceded by transfer of title. The existing legislation relative to loans and credits, the solicitation of funds, and the National Munitions Control Board would be continued. It was not good sense, argued the Secretary of State, to bar trade in arms, while at the same time permitting the export of "all the essential materials out of which the finished articles are made." In the second place, retention of the embargo might actually result in "unneutrality" because "it would deprive some belligerents of natural advantages derived from their geographical situation or other circumstances, such as control of the sea." Thirdly, declared Mr. Hull, "it plays into the hands of those nations which have taken the lead in building up their fighting powers." Thus defined, the Administration's position rested not only on legalistic grounds, but also on the broader plane of national interest, peace, and security. What Roosevelt and Hull were asking was a modified cash-and-carry policy, "less stringent than that advocated by the mandatory bloc, more flexible than the cash-and-carry clause" which was about to expire.¹⁸

The Administration's program aroused anew the suspicion that what the President really desired was to intervene in support of the "peace-loving" nations of Europe—Britain and France—and against such aggressors as Germany and Japan. This suspicion was heightened by a remark purported to have been made by the President during a White House conference with members of the Senate Military Affairs Committee, namely, that the first line of defense for America was the Rhine.¹⁹ The upshot was that late in June, the Bloom resolution, embodying most of the Hull program, was amended by the turbulent House of Representatives so as to provide for an embargo on *arms and ammunition* but not, apparently, on *implements of war*. Its position weakened by this partial reversal, the Administration attempted in vain to rally its forces in the Senate. Congress adjourned in midsummer without acting on the issue, leaving the existing law in effect except for the cash-and-carry section, which had already expired. As the national legislators scattered to their homes, President Roosevelt ominously

¹⁸ See Stone, *op. cit.*, p. 170.

¹⁹ The President subsequently denied having said any such thing.

warned the country that its elected representatives would have to bear no small share of responsibility if a major disaster should befall Europe and the world prior to their return to Washington in January. The Chief Executive was thus playing on the theme that the knowledge that Britain and France could not buy arms from the United States might encourage Hitler to risk a major military conflict with the democracies. Or, in the words of an editorial of *The New York Times*, "If a general war is to be averted, it will be averted primarily because the potential war-makers believe the odds against them are too great; in figuring these odds they are bound to reckon with the position of the United States."²⁰

✓ In part at least, the Administration's analysis was vindicated by what happened in Europe less than a month after Congress adjourned. It would be going too far to contend that the repeal of the American arms embargo in itself would have dissuaded Hitler from invading Poland. There can be little doubt, however, that the new American "neutrality" policy served as one factor in the totality of influences which drove the German Chancellor to his fateful decision.

Immediately following the British and French declarations of war against Germany, the President issued two neutrality proclamations. The first, based upon international law and American precedent, and paralleling closely the Wilsonian proclamation of 1914, was obviously intended to emphasize the fact that legal neutrality required no special instruction from Congress. The second proclamation formally invoked the Neutrality Act of 1937, including, of course, an embargo on the sale of arms, ammunition, and implements of war to all belligerents alike—Germany, Poland, Britain, France, Australia, New Zealand, and India.²¹ Acting under the Espionage Act of 1917, the President also issued a proclamation of "limited national emergency" which, among other things, gave him full power to control the movement of all vessels, foreign and domestic, in the territorial waters of the United States. Later, at a press conference, Mr. Roosevelt expressed the somewhat surprising opinion that American "territorial waters extended as far as the interests of the United States required."²²

On 21 September Congress met in special session at the call of the President to consider revision of the neutrality legislation in the light of the current war situation. Mr. Roosevelt appeared in person to plead for repeal of the arms embargo and "a return," as he inaccurately phrased it, "to international law." As for the Neutrality Act of 1937, the President bluntly declared: "I regret that the Congress passed that act. I regret equally that I signed that act." Yet it was clear to everyone that much of the neo-

²⁰ Issue of 12 July 1939.

²¹ Canada and South Africa were subsequently added.

²² *The New York Times*, 16 September 1939.

neutrality thesis had by this time become part and parcel of the country's thinking—to the point, at the very least, (1) of keeping American goods and American ships out of danger zones, and (2) of refusing long-term credits to belligerent powers. The Administration had itself come around to this partial abandonment of "neutral rights." Accordingly, what the President really sought was not a full return to the American position of 1914-17, obviously untenable in 1939 without grave risk, but a cash-and-carry policy governing *arms* as well as other materials, along with the power to designate combat zones from which American ships might be completely barred.

Essentially, this is what Congress enacted into law six weeks later. But the Administration's victory provoked a bitter debate which gave rise to some of the strangest alignments in the history of American politics: on the one side there were isolationists, pacifists, anti-Roosevelt Republicans, the German Bund, the Communist party, Senators Nye and Borah, Colonel Lindbergh, and Father Coughlin; on the other, advocates of collective security, anti-fascist organizations, Roosevelt New Dealers, conservative Republicans and Democrats, many representatives of big business, ex-Secretary Stimson, Senator Taft, and Alfred E. Smith!²³ The real issue was camouflaged much of the time by the "pro-repealers" who insisted illogically that repeal was necessary to keep the country out of war, while their opponents more honestly contended that it was meant to help Britain and France, which had ships and cash to purchase American supplies. Another question raised in different ways by the two sides concerned the "neutrality" of the embargo policy itself. Administration spokesmen held that since the policy favored the totalitarian powers, its effect was unneutral, but the opposition charged that, regardless of the validity of this contention, to end the embargo *after* the outbreak of war would constitute an unneutral act on the part of the United States.²⁴

Insofar as the Executive is concerned, the Neutrality Act of 1939 constitutes a blend of "mandatory" and "discretionary" provisions, the emphasis, however, being upon the former.²⁵ The law confers the power to proclaim the existence of "a state of war between foreign states" upon the President *or* Congress, the latter acting by concurrent resolution. If other states subsequently become involved in such a war, they must be included

²³ The Soviet-Nazi pact accounted, of course, for the communists' reversal.

²⁴ Certain international lawyers also took this view. See P. C. Jessup, *The Reconsideration of 'Neutrality' Legislation in 1939*, *American Journal of International Law*, July 1939, and a joint letter by Jessup and C. C. Hyde to *The New York Times*, 21 September 1939. It could, of course, be replied with equal logic that, so far as Britain and France were concerned, the restriction of purchases of American war materials to the cash-and-carry basis, after the war had begun, was also "unneutral."

²⁵ For the complete text, see the Appendix, pp. 807-815.

in the President's neutrality proclamation. As long as this proclamation remains in effect, the following acts are forbidden:

(1) the transport of passengers or materials in American vessels to any state named therein;

(2) the export of any article or material whatever (including arms, and so on) to any belligerent state unless the title thereto has been transferred to the purchaser prior to shipment;

(3) the purchase or sale of bonds or other obligations of any belligerent government or subdivision thereof within the United States;

(4) the solicitation or receipt of contributions for any belligerent government, except for medical aid, food, and clothing handled by nonofficial organizations;

(5) travel by American citizens on belligerent vessels except in accordance with presidential regulations;

(6) the arming of American merchantmen; and

(7) the manufacture, export, or import of arms, ammunition, or implements of war, except in accordance with the regulations of the National Munitions Control Board.

So vehement were the protests of American shipping interests that ports in certain non-European areas are exempted from restrictions on the transport of passengers, mail, and nonmilitary materials in American vessels, as well as from the "cash" payment provisions. These areas are the Western Hemisphere and the Pacific and the Indian Oceans, including the China Sea, the Tasman Sea, the Bay of Bengal, the Arabian Sea, and their dependent waters.

All of the foregoing provisions are binding upon the President as soon as the Act is invoked. Certain other matters of secondary importance are, however, left to his discretion. Thus, for example, he may designate combat areas and bar all American surface vessels and/or aircraft from operating therein—if the protection of American citizens seems to call for such action. Again, he may prohibit foreign vessels from carrying fuel, men, arms, ammunition, implements of war supplies, dispatches, or information from any American port to any belligerent warship—if in his judgment "such action will serve to maintain peace between the United States and foreign states, or to protect the commercial interests of the United States." Similarly, submarines and armed merchant vessels may be forbidden to enter or leave American ports or territorial waters except under such conditions as are set by the President.

Immediately upon his approval of the new Act on 4 November, President Roosevelt issued a proclamation which put its mandatory provisions into effect. By a second proclamation the Chief Executive banned belliger-

ent submarines from American ports and territorial waters except in case of *force majeure*, and then only if running on the surface with flag flying. Simultaneously, the President barred American vessels from operating within a "combat" zone which included the English Channel, the North Sea, the Baltic, and all Atlantic waters as far west as 20° longitude and embracing the Bay of Biscay. Thus, by a stroke of the pen, the American merchant marine, or most of it, was swept from the North Atlantic. Scores of American ships were soon tied up in American harbors and thousands of seamen were thrown out of work. Faced with this critical situation, the United States Maritime Commission viewed favorably the proposal that those ships subsidized by the government be transferred from American to Panamanian registry. After some hesitation, the President disapproved this plan on the ground that it would violate the spirit of the Neutrality Act. Nevertheless, it was generally realized that special aid would have to be extended to the shipping companies (and their employees), whose business lay prostrate as a part of the price of the effort to "keep the country out of war." Later, in January 1940, several United States vessels were sold to a Norwegian shipping corporation.

REPERCUSSIONS OF THE WAR UPON AMERICA

Throughout the initial phase of the European conflict, a large section of American opinion, possibly a majority, continued to doubt that the United States could refrain from becoming involved.²⁶ But as the war on land assumed a more and more defensive pattern, at any rate as between Germany and the Allies, confidence developed that America could and would stay out. How long such confidence would last was, of course, beyond prediction. Most Americans made no effort to conceal their "unneutral" feelings. No less than the British and French peoples, they, too, desired the destruction of Hitlerism. The ruthless attack upon Finland by the Soviets in December aroused an equal antipathy toward Stalinism. Certain prominent Americans, among them ex-President Hoover, urged the Administration to show its condemnation of the Russian aggression by breaking off diplomatic relations with the Soviet Union. While the Administration refused to do this, it extended its "moral embargo" to the Soviet Union and widened the scope of the embargo to include technical materials necessary for the production of high quality aviation gasoline. It was by no means beyond the range of possibility that a continued succession of attacks

²⁶ A Gallup poll taken in September showed 46 per cent in favor of American *military* participation against Germany in case, "within the next few months," England and France should seem to be losing.

upon small states, whether by Russia or by Germany, might sweep away the barriers of legal neutrality and carry the United States into the war. But at the time this chapter went to press, the odds were definitely against such a contingency.

During the early months of the conflict the American government was concerned primarily with three problems: (1) to adjust the country to the economic shock of the war; (2) to strengthen its defense establishment, and (3) to ensure inter-American unity of action with respect to the observance of "neutral rights" in the Western Hemisphere.

On the economic front a short-lived speculative boom took place in September. This rested on the supposition that the Allies would be forced to rush headlong into the American market and buy war materials regardless of cost. However, by drawing upon their ample reserves and coordinating their purchasing activities, the Allies "were able to follow a more deliberate course which left many speculators stranded by a receding tide of prices."²⁷ As a result, the financial agencies at Washington had time to perfect ways and means of forestalling any precipitate liquidation of foreign-owned American securities, a thing which might have disastrous repercussions upon the stock market. Washington also announced that it was carefully studying the question of how to prevent an excessive rise in the price level in case war orders should attain proportions at all comparable to the situation of 1914-17. Despite large additional orders of American airplanes and machine tools by the Allies following the repeal of the arms embargo, no such price boom seemed likely to take place in the immediate future, with the exception, perhaps, of certain raw materials, such as wool, tin, and rubber, over which the British Empire held a quasi-monopolistic control. As the year 1940 opened, the only "economic victims" of the war in America were shipping and certain other industries largely dependent upon European exports. Even the latter had a fair chance of securing compensating markets in South America.

As regards defense, few Americans disagreed with the view that the naval and air corps should be substantially expanded. It was generally assumed that increases in cruiser strength, in destroyers, and in naval aircraft were necessary in order to secure the continental United States, the Caribbean Sea, and the Panama Canal from possible attack.²⁸ When it came to the question of whether the United States should be ready to de-

²⁷ K. Hutchinson, "Trade as a Weapon," *The Nation*, 9 December 1939.

²⁸ In the summer of 1939, the Army Department of Puerto Rico was established, with preparations for making that island "a Gibraltar of the Western Seas." There were a few military observers who claimed that, if the British navy were defeated by Germany, it would be possible for the latter to establish sea and air bases close enough to the Caribbean to permit operations against the Canal and shipping in the Gulf of Mexico.

fend South America from invasion, opinion was more evenly divided.²⁹ Nor was there any consensus of view, even among the experts, as to whether the United States should build a "two-ocean" navy capable of defending both coasts simultaneously. This problem was further complicated by the uncertain status of the Philippines. A strong suspicion that Japan was preparing to absorb the islands as soon as the United States cast them adrift caused many Americans—not to mention Filipinos—to change their minds about "independence." On the other hand, when, early in 1939, the Administration pronounced itself in favor of fortifying the Island of Guam, Congress refused to authorize the necessary appropriation.

The whole question of a proper defense establishment for the United States is, of course, definitely related to the broader objectives of American foreign policy. Indeed, in a political democracy like that of the United States, the requirements of the former should rationally be subordinated to the needs of the latter. Much of the current confusion over the relative technical advantages of this or that type or quantity of military instrumentality arises from the failure to coördinate defense needs with diplomacy. "Unfortunately, over a period of years, civilian control of American military policy has become less and less effective. The veil of secrecy has become noticeably more extensive and harder to penetrate."³⁰

Not only does the State Department appear to be unable to bring its presumably superior knowledge of national policy to bear upon the defense departments, but a cumbersome committee arrangement in Congress militates against any unified judgment of defense budgetary needs. "The \$500,000,000 War Department Appropriation for 1940 was passed by the House of Representatives with little debate and without a single amendment."³¹ The longer the current war lasts, the greater the likelihood that Congress will accept without question the inflated requests of the military experts. Total military expenditures in the 1940-41 budget bid fair to approach two billion dollars.

Viewed in terms of the world scene, the inevitable expansion of the United States as a military power is but a further demonstration of "the myth of American isolation." The United States has a vital stake in whatever may happen to British sea power—long a benevolent factor in the defense policy of the republic. Its present "rearmament" program, rightly

²⁹ A Gallup poll taken in October 1939 showed only 53 per cent in favor of giving military aid for this purpose.

³⁰ D. H. Popper, "American Defense Policies," *Foreign Policy Reports*, 1 May 1939. See also H. H. Sprout, "America's Problem of National Defense" (Alumni Lectures, Princeton University, 1939). For a more comprehensive treatment, Major General Johnson Hagood, *We Can Defend America* (New York, 1937) and Major George Fielding Eliot, *The Ramparts We Watch* (New York, 1938); for a pacifist point of view, Oswald G. Villard, *Our Military Chaos* (New York, 1939).

³¹ Popper, *op. cit.*

observed Professor Sprout in the spring of 1939, "reflects a widespread sense of insecurity, whether justified or not, resulting in no small degree from the recent successive retreats of the 'democratic bloc' in Europe. . . . Whether we can protect all of our national interests overseas—territorial, commercial, financial, and humanitarian—is open to grave doubt. Whether we can maintain an island of democracy in a world of totalitarian states is likewise open to question. And whether we can mobilize our vast national resources to hold the democratic front overseas, without at the same time destroying democracy at home, is the ultimate riddle of our problem of national defense today."³²

From a more immediate point of view, the problem of the defense of the United States dovetails with the larger problem of inter-American co-operation. Less than a month after the outbreak of war in 1939 between Germany and the Allies, the foreign ministers (or their representatives) of the twenty-one American republics met in Panama to consider how the Western Hemisphere might be protected most effectively from the impact of the European conflict. This was the first attempt to test the procedure of consultation envisaged at Buenos Aires and Lima. The program drawn up by the Governing Board of the Pan American Union contained three principal items: (1) neutrality, (2) the preservation of peace in the Western Hemisphere, and (3) economic coöperation. The results of the economic discussions, leading to the creation of the permanent Inter-American Economic and Financial Advisory Committee, were outlined in the preceding chapter.³³ On the question of neutrality, the Conference approved a "General Declaration" which reaffirmed the status of general neutrality for the American republics and provided for the establishment of an Inter-American Neutrality Committee to consider new problems arising out of the current war.³⁴ By a second resolution, opposition to the inclusion of food-stuffs and clothing on belligerent contraband lists was voiced. A "Joint Declaration of Continental Solidarity" reiterated the Declaration of Lima, while still another resolution requested the belligerent nations to abstain from using inhumane methods of warfare.

By far the most important action taken at Panama was to declare the establishment of "a zone of security" around the American continent—a

³² *Op. cit.* See, in this connection, the 1939 version of America's industrial mobilization plan, formulated by the War Department. The foreword to this plan states that its aim is "to anticipate and overcome promptly and effectively the difficulties experienced by the United States in the World War" and it declares that the plan does not propose "the modification of any of our Constitutional processes," but to maintain their "preservation" as its "prime purpose." Nevertheless, critics of the plan did not hesitate to note the vast concentration of power in the Chief Executive which it contemplated.

³³ See p. 703, *supra*. The Official Report of the Panama Conference is published in the Congress and Conference Series (No. 29) of the Pan American Union (Washington, 1939).

³⁴ This Committee was scheduled to meet at Rio de Janeiro in January 1940.

zone whole limits extend three hundred miles or more from its coasts, beginning with the Maine-Canada boundary, going around Cape Horn, and

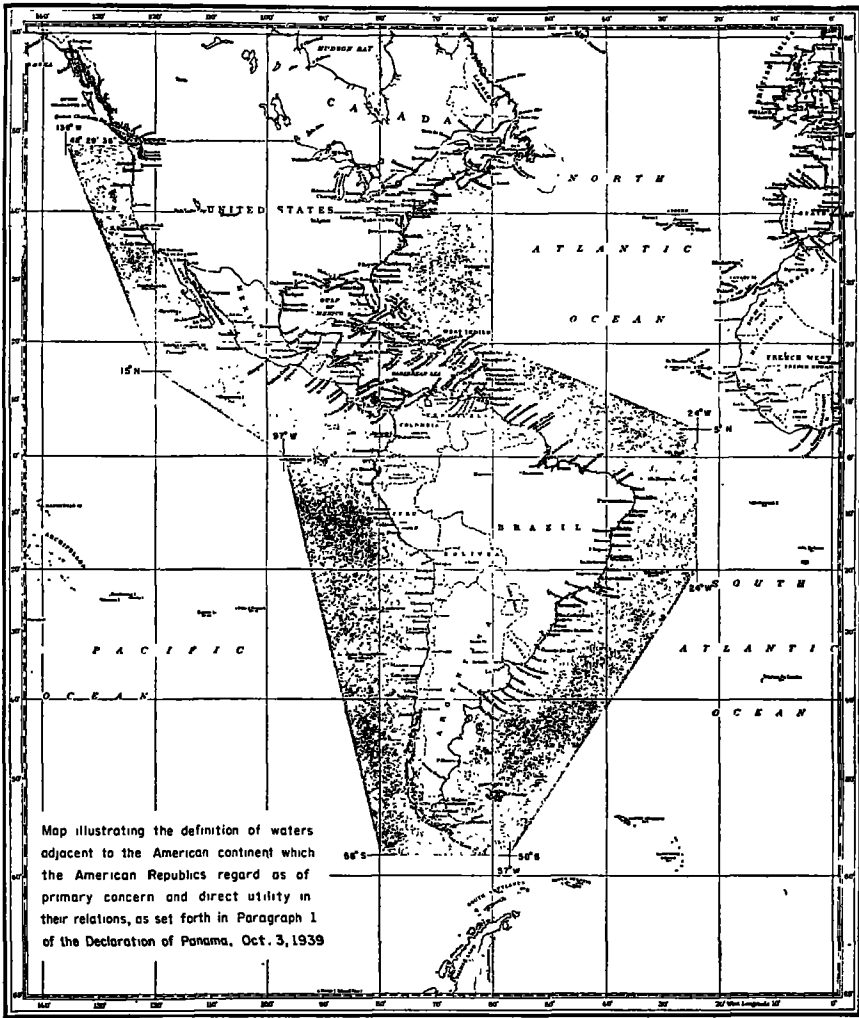


FIG. 30.—THE HEMISPHERIC SECURITY ZONE.

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reaching northward as far as Vancouver. According to this declaration, this area, which, of course, goes far beyond the traditional three-mile limit recognized by international law, ought to be kept "free from the commission

of any hostile act by any non-American belligerent nation, whether such hostile act be attempted or made from land, sea, or air." It was agreed to consult again in case joint representations to belligerents or other measures should be necessary in order to secure compliance with the foregoing declaration. It was further agreed that, if need be, the American republics might undertake to patrol, either individually or collectively, the waters adjacent to their coasts.

Laudable as were the objectives of the "Declaration of Panama" from the American viewpoint, there was no illusion about the difficulty of enforcing it. To patrol effectively five million square miles of water would be beyond the capacity even of the combined strength of the American naval forces. When notified of the provisions of the Declaration, the European belligerents refused, without exception, to be bound by any such one-sided alteration of international law. German raiders continued to prey upon Allied shipping in the South Atlantic well within the newly proclaimed "safety zone." In December a spectacular naval engagement was fought off the Uruguayan coast between the German pocket battleship "Graf Spee" and three British cruisers. Badly crippled, the "Graf Spee" was forced into the port of Montevideo for repairs. Rather than face the alternative of being interned or sunk, the battleship was scuttled by its commander on orders from Hitler. A few days later the German merchantman "Columbus," in order to avoid capture, suffered a similar fate off the Atlantic Coast of the United States two hundred and fifty miles inside the neutrality belt.

These dramatic episodes brought home to the American world the practical difficulty of keeping the war out of the "American neighborhood." Following the "Graf Spee" incident, joint representations were made by the twenty-one American governments to Britain and Germany, but at that time no agreement had been reached as to whether diplomatic protest should be implemented by sanctions. Some of the South American countries, notably Brazil and Argentina, suggested that, in case of future violations of the security zone, all belligerent warships should be interned *immediately* upon their arrival in any American port. As the year 1940 opened, it remained doubtful whether a common program for the enforcement of the new "hemisphere" neutrality policy would be evolved. Although United States naval craft were doing patrol duty at various points in and near the Caribbean, no arrangements had been made for a joint inter-American coastal patrol.

In sum, while it looked as if America might be able to stay out of the European war in a direct military sense, its economic, moral, and military ramifications could not be escaped. The planet had become too small. The two oceans were no longer wide enough. Hour after hour the air waves

were dinning propaganda and counterpropaganda directly into America's ears. How far reaching the impact of the war would be, no one could foretell. Suffice it to say that in both thought and deed neither the government at Washington nor public opinion made any pretense of observing *emotional* or *economic* neutrality. The hope of America was that the European democracies might emerge victorious with its economic aid and such extralegal sanctions as the "moral embargo," but that military participation would not become necessary.

Having given little more than lip service to the hard task of organizing world peace, the United States (along with other democracies) was now preparing to pay its share of the price. Once again thinking people were turning their minds to the elusive quest for a peaceful world. Assuming the defeat of totalitarian powers, would it be possible *this time* to find a formula for a wise and enduring settlement? What rôle should the United States, as a legal neutral, be prepared to play in working out and guaranteeing such a settlement? Both of these were questions calculated to tax American statesmanship to the utmost.

XXXI

THE CLIMATE OF PEACE

"In time of war prepare for peace"

THE PARADOX OF WAR

War is the supreme paradox of our time. Never was the knowledge of war and its devastating consequences more widespread. Never was there greater popular disillusionment over the use of force for the settlement of international differences. Indeed, the apparent general apathy toward the current European conflict among the masses of *all* the participating countries is one of its most striking phenomena. The amazing advances of science have reduced the world, in certain respects, to a "neighborhood." Time and distance now literally take wings. Man's capacity to subdue and utilize the resources given him by nature has expanded more rapidly during the last century or so than ever before in human history.

Yet, as Graham Wallas once so aptly put the matter: "In the sphere of international and interracial relations, our chemists and engineers are now contriving, by technical methods whose subtlety would have been inconceivable to our grandfathers, plans for the destruction of London and Paris; but when French and British statesmen meet to prevent such plans from being put into operation, they find it no easier than would the leaders of two Stone Age tribes to form a common purpose, and they generally part with nothing better than a vague hope that war may be avoided by accident and inertia."¹ Since the War of 1914-18, peace pact has followed peace pact; millions of words have been written and spoken on disarmament; thousands of peace organizations have passed resolutions and submitted petitions; but war is still with us—a type of war whose deadly reaches spare the civilian, the adult, the child, and even the helpless inmate of hospital and clinic no less than the soldier, the sailor, or the military aviator. As these lines are written, 80 per cent of the world's population finds itself once again the victim of war. To date, the twentieth century has the bloodiest record of any in modern times. In the midst of great surpluses of food

¹ *The Art of Thought* (New York, 1926), p. 23.

and clothing, there are starvation and cold for hundreds of millions of people, while an ever-increasing proportion of human energy and material resources is being diverted to the manufacture of weapons of destruction.

Despite an almost universal desire for peace, the folly of war continues in a form which, in many respects, pays less heed to humane consideration than two centuries ago. Individual sacrifices occasioned by war may still be ennobling, but the conflict itself eats at the vitals of civilization, a civilization which, paradoxically again, has been built up largely as a result of the selfless endeavors of men. Four years of fighting from 1914 to 1918 left scars on the face of Europe that were still unhealed when the conflagration of 1939 swept over the Continent. Five years before the crisis of 1914, the German ambassador to England is said to have remarked to Lord Grenville that Germany had not yet recovered from the Thirty Years' War fought three centuries earlier. Since 1914, another "thirty years' war," with brief interludes of peace, has been and is still in progress.

At this stage, it is necessary only to remind the reader that the contents of this book have been devoted primarily to an analysis of this tragic paradox. Why do we still have war? Certainly not because the substantial attainment of international peace is beyond the genius of man. Broadly speaking, wars recur for two reasons: (1) because they satisfy real or fancied human impulses or needs, and (2) because no adequate substitute for war has as yet been devised and accepted by a sufficient portion of the world community to make it unprofitable for the remaining portion to resort to methods of violence. Peace, that is to say, is at once a problem of education and a problem of government. The attack upon the problem must proceed along both these fronts simultaneously if it is to register real progress.

Psychologically, war is the result of the existence of attitudes which prefer violence to discussion as a method of adjusting international difficulties.² This state of mind may be found only in an all-powerful ruling class or clique (e.g., Hitler and his Nazis), or it may characterize, and in former times it undoubtedly did characterize, most of the adult population. The catchwords take forms with which we are all too familiar: "national honor," "manifest destiny," "the white man's burden," "Nordic supremacy," "a place in the sun," "*Lebensraum*," and so on. In the aggregate, these are the effective symbols of integral nationalism as it shades off into imperialism. Memories of past wars in which one's ancestors died as "heroes" for "a glorious cause"; a natural pride in the achievement of national independence by throwing off the hated oppressor with one's own force; or a belief that the nation's future requires further expansion of its territorial

² See, for a brief abstract treatment of this problem, Robert Waelder, *Psychological Aspects of War and Peace* (Geneva Research Center, May 1939).

resources—all of these and similar attitudes may be built up, perpetuated, or intensified by the techniques of organized propaganda so common to our day.

The root of the difficulty is *integral* nationalism; and the totalitarian state makes of integral nationalism a veritable fetish. It is this fundamental fact, far more than the alleged or actual injustices of the Peace Treaties of 1919, that accounts for the fateful course of international politics during the past two decades. Totalitarian nationalism "implies the subordination of both the individual and of the international community to the national state." Hitlerism and Stalinism constitute national religions. So long as powerful peoples subscribe to such religions—religions that scorn the processes of rational discussion, that practice organized intolerance, whether of race or class, and that teach blind obedience to a self-appointed "infallible" leader—the psychological basis for war will remain and there will be no hope of transforming the naked power politics of our day into the co-operative politics of a peaceful international order.

Such questions as the following confront the world: How can the "idols of defiant nationalism" be broken? How can man's spirit, still largely tribal and parochial, be adjusted to a technology which has become world-wide? How can the masses be taught, not merely to hate war, but to be willing to sacrifice the pseudo freedoms that accompany national sovereignty for the constructive benefits of organized international coöperation? Can something akin to a *world* patriotism be developed alongside a humane *nationalism*—the one complementing the other? How can we point the instrumentalities of press, cinema, and radio toward this reëducation of mankind?

Even though the reconditioning of popular attitudes may be indispensable to the creation of *world* government, this task, at best, is likely to be a long and involved process, requiring no one knows how many generations. But the urgency of the problem demands that such intermediate steps as are feasible be taken now. The elimination of war is not an end in itself, but the means to a better and richer life for the peoples of the world. The state came into being originally to preserve peace and order among its members; indeed, that is still its primary function. But the problem of government today involves much more than this. In the complex society of the twentieth century it is necessary for government not only to provide machinery for the adjustment of disputes and the maintenance of civil order, but also to regulate economic and social activity in the general interest, and, increasingly, to provide essential public services of a constructive character.

Paradoxically enough, when we consider the present stage of government at the international level, we find that greater progress has been made in the development of social welfare and technical services than in methods

(1) of repressing violence or (2) of adjusting rights and interests by orderly, peaceful agreement. Governmentally considered, the current revival of power politics is due primarily to the failure to build a "collective security" system which would at the same time allow for "peaceful change." The collapse of the League may be explained not so much in terms of the inherent strength of those states that resisted it as of the insincerity of the nations that professed to support its ideals. In itself alone the League lacked the power to compel its members to use their *collective* force against aggression. The more the dictatorial régimes came to realize that they could gain their own ends by threat of force, the more their policies took on the trappings of blackmail and intimidation. Until the eleventh hour the Hitlerian strategy achieved one bloodless conquest after another. Then, at long last, appeasement gave way to collective action by Britain and France, but at infinitely greater cost than if collective statesmanship had replaced an inept diplomacy four years earlier!

Back of the tragedy, and in part responsible for it, lay the failure, *until it was too late*, to scale down reparations; to give heed to the German claim for colonies; to liberalize national trade and monetary policies; to provide equal access to raw materials and equal investment opportunities; and to adjust certain boundary and minority disputes. Granted that, on most of these counts, the grievances of the "Have-not" powers were exaggerated, the fact remains that they had no way, short of asserting their own strength, to secure what they thought was "justice." Article 19 of the League Covenant was never invoked. Even if it had been, the Assembly could have given nothing more than "advice"—advice probably so equivocal as to be useless.

Inside the national state, particularly if it be organized on a democratic basis, comparable situations yield to the therapy of legislation, adjudication, and administration. If a dissatisfied individual or minority refuses to abide by the decision of the appropriate governmental agency, the strong arm of the police compels obedience. But since the decision is arrived at only after an extensive weighing of the pros and cons, the parties thereto ordinarily accept it peacefully. The legalized physical force of the community comes into full play only in emergencies, such as strikes, riots, and natural calamities. No sooner, however, is one injustice righted or one dispute settled, than new ones appear. The governance of a national society is thus by its very nature a continuous process.

So should it be among nations. There would be no point in trying to freeze the *status quo* under any kind of international security system. That was one of the mistakes made by the victors of 1919. To be durable any peace settlement must rest upon a *dynamic* concept. This assumes both the willingness and the machinery to deal internationally with important

matters that now belong to the jurisdiction of individual states. From the experience of the last fifty years, man has already developed the rudiments of a system of international coöperation, but tied as it still is to the outworn dogma of sovereignty, this system has proved unable to master the menace of war. Something further is needed—the gradual surrender of sovereignty on problems of truly international concern to workable transnational procedures or agencies. Government, that is to say, “must extend ultimately to those relationships which exist between nation and nation, between groups of nations and other groups of nations, between classes and classes whose influences expand across international frontiers, and even to relationships between races and races. In these cases, just as in internal affairs, the choice of mankind is, on the one hand, between regulating his social affairs by force or, on the other hand, by means of a set of principles which in domestic affairs we call constitutional, and their application by a common institution supported adequately by world public opinion.”³

PATHWAYS TO PEACE

The road on which mankind must travel toward effective peace (or perish!) bids fair to be rough and long. In the United States, one of the central fallacies in current thinking about peace lies in the assumption that there is some short cut—some easy escape. But man's uphill struggle, over the centuries, to develop institutions of justice and order within national communities, gives no ground for believing that the organization of world peace can be built any more easily or more quickly. Why should we expect to pass from international anarchy to international order overnight? It is not at all unlikely that the closer association of nations on a regional or a continental basis may prove to be necessary intermediate or concurrent steps toward the broader goal. The development, for example, of some kind of European union, following the current war, might at the same time strengthen the forces for effective international coöperation on problems of world-wide concern, particularly in the economic sphere.

In this connection, the further expansion of world-wide arrangements on an *ad hoc* or functional basis may well be envisaged. The horizontal or transnational interests of mankind have already given rise to a cluster of international agencies of this type, each possessing constitutional autonomy but maintaining at the same time fairly close informal contacts with related bodies. The international unions in the sphere of communications have survived several decades of war and peace, while it would appear that whatever may happen to the political organs of the present League of Nations,

³ W. S. Culbertson, *Reciprocity* (New York, 1937), p. 204.

most of its technical services will continue because they serve indispensable needs. Possibly the pattern of the International Labor Organization may prove suggestive when it becomes possible to implement further the co-operation of states on trade and investment policy.

These observations are intended merely to illustrate some of the close-range directions which a peace program might take. For the sake of general orientation, however, it may be well to outline the ultimate objectives of such a program. Perhaps these can be stated roughly in the following terms:

- (1) an approach to social and economic justice as between nations, classes, races, and minority groups of whatever nature;
- (2) the protection of cultural freedom against the poison of intolerance and regimentation;
- (3) the repression of violence, together with the refinement of methods of peaceful settlement; and
- (4) the development of orderly processes of peaceful change.

Not all would clothe the foregoing ideas in the same language; nor would there be full agreement as to the relative emphasis that should be accorded to these goals. But few thoughtful students would take issue with their aggregate intent.

In passing, it should be observed that, by and large, these goals should be fully as much the purposes of constitutional government *within* as *between* states. Indeed, the further one explores the intricacies of political behavior, the more its pattern appears to be cut from the same cloth, whether at the local, national, or international level—despite the differentials of size, distance, language, race, and political ideology.⁴ In the world of today the dichotomy of *foreign* and *domestic* policy is false. As Señor de Madariaga has suggested, a truer perspective would be had if governments could be persuaded to rename their foreign offices “departments of world affairs,” for few states can long remain unaffected by the attitude of other states on such matters as armaments, trade barriers, access to raw materials,

⁴ On this point the testimony of an intelligent and experienced American journalist is worth quoting: “I am trying to trace a pattern through a reporter’s experience of politics in the small-town city hall, the legislature of a Southern state, the City Hall of New York City, the three branches of our federal government in Washington, the diplomatic struggle in the League of Nations, and finally the Dictator’s war in Africa. I think there is a pattern. The Council of the League of Nations reminded me of the Board of Estimate of New York City—the same log-rolling tactics and the same steam-roller machine, with even a few Jimmy Walkers sitting around the horseshoe table. When I saw President Hoover sign the Smoot-Hawley Tariff Bill, I saw him take a step which was in its political essence exactly what Mussolini did when he launched his war against Ethiopia. I learned what the men in the street and the professors and the writers of books are unwilling to learn. I learned that the town council and the League Council are alike as two peas, and that what one does vitally affects the other.”—J. T. Whitaker, *And Fear Came* (New York, 1936), p. 39.

monetary policy, or migration. The adoption of the so-called "Aryan" laws by Nazi Germany gave rise to a refugee problem for the rest of the world. Technological change in one part of the world has its impact upon the life and problems of civilized peoples everywhere.

Before we examine more closely the psychological and institutional prerequisites to a peacefully organized world, two further assumptions must be noted. First, in the authors' opinion, there would appear to be little hope of expecting general and permanent peace except on substantially *democratic* foundations. Secondly, the use of force will, at least for a long time to come, be necessary in the international sphere just as the civil police has continued to be an indispensable adjunct of every national community. Each of these assumptions calls for brief comment.

As for the first, abundant evidence exists that the ideology of totalitarianism is incompatible with an orderly international world. In different ways, perhaps, this proposition applies fully as much to the Soviet as to the Nazi brand. Nazism, it goes without saying, reeks with an insatiable lust for power and dominion. Not only *Mein Kampf*, but the whole course of Nazi foreign policy after 1935, was directed toward the achievement of a new Pan-Germanism. Hermann Rauschning, in his diagnosis of Nazism, has demonstrated convincingly that "Hitler can no more make peace in Europe, or even accept it, than he can make an end of his own 'dynamism.' The one depends upon the other. Just as National Socialist revolution can only work destruction in Germany, so in foreign affairs it can only produce war and revolution."⁵ To quote again: "The National Socialist regime is now the prisoner of its own system of domination. It can no more dispense with its pursuit of hegemony than with its government by violence at home. It is following the law of its existence and cannot be diverted from its path either by threats or by good will."⁶ Events since September 1939 have completely confirmed this prognostication.

Former Secretary Stimson has condemned the international implications of fascism on broader grounds. "Fascism," he says, "has involved a serious moral deterioration; an increasing and callous disregard of the most formal and explicit international obligations and pledges; extreme brutality toward helpless groups of people; the complete destruction within their jurisdiction of that individual freedom of speech, of thought, and of the

⁵ See *The Revolution of Nihilism* (New York, 1939), p. 298, *passim*. From the voluminous literature in English on the struggle between fascism and democracy space permits only a few citations: C. E. Merriam, *The New Democracy and the New Depotism* (New York, 1939); M. Rader, *No Compromise: The Conflict between Two Worlds* (New York, 1939); Max Lerner, *It Is Later Than You Think* (New York, 1938); F. E. Jones, *The Defense of Democracy in Europe* (London, 1937); H. F. Armstrong, *We or They?* (previously cited); and M. Ascoli and A. Feiler, *Fascism for Whom?* (New York, 1938).

⁶ *Ibid.*, p. 284.

person which has been the priceless goal of many centuries of struggle and the most distinctive crown of our modern civilization. Such a loosening of the moral and humane ties which bind human society together gives powerful confirmation of the basic unfitness of such a system for organized international life."⁷ Predicated on a belief in the inequality of races, German Nazism asserts "the divine right" of "superior" peoples to rule others.⁸ "A State," says Hitler, "which in the epoch of race poisoning, dedicates itself to the cherishing of its best racial elements, must some day be master of the world."⁹ Nazi theorists have accepted as a fundamental reality the idea that mankind is permanently divided into a hierarchy of races or nationalities. For them there is a kind of "biological natural law" peculiar to their own nation—the sense of law that exists in "the blood stream" of the racial community. It is the function of the State "to discover, interpret and translate this natural law into a body of positive written law." Since "the State is by definition the sole source of law, and since its sovereign will is subject to no limitation not imposed by itself, it follows that the State can be restrained to the observance of the rules of international law only by a voluntary act of self-obligation . . . 'international law exists for states, not states for international law. . . . The community of states, therefore, is of a purely anarchic nature, and international law is anarchic law.'"¹⁰ It is difficult to envisage how a world order could ever be evolved upon such an absolutist conception of "state rights"—unless it be an order imposed by an overpowering imperium. Such an order would contain the seeds of its own destruction through recurring wars and revolutions.

In theory at least, the Soviet brand of totalitarianism presupposes a world federal order united by the ideology and economics of communism, but allowing for the cultural autonomy of its constituent racial and linguistic elements. As a social religion, Marxism has had a wide human appeal particularly because it promised equality for the oppressed and the brotherhood of the toiling masses regardless of race, nation, or language. According to pure Marxism, the state, as an instrument of oppression, was to wither away once communism became the basis of social organization. Yet, as all the world knows, the actual evolution of Soviet Russia has been in precisely the opposite direction. Nearly a generation has passed since the Revolution of 1917, but the iron hand of state dictatorship, at first on a party, and now largely on a personal, basis, still rules in Sovietland. The

⁷ From a letter to *The New York Times*, 6 March 1939.

⁸ Some weeks after the beginning of the war between Nazi Germany and the Allies, Dr. Robert Ley, the head of the Nazi Labor Front, had the effrontery to make this claim during a speech he delivered in a Polish city then under German military occupation.

⁹ *Mein Kampf* (Reynal & Hitchcock ed.), p. 994.

¹⁰ L. Pruss, "National Socialist Conceptions of International Law," *American Political Science Review*, August 1935.

Soviet state of today exhibits most, if not all, of the worst features of Nazism—brutality, secret terrorism, civil espionage, religious oppression, exploitation of the consumer, an overweening state and party bureaucracy, militarism, and, since the autumn of 1939, aggressive imperialism. Few were fooled by Moscow's hollow pretension that the Soviet invasion of eastern Poland was welcomed by a population waiting to be liberated from their own rulers. The wanton attack upon Finland a few weeks later laid bare the real intent of Stalinist policy.

Even if we interpret the current resurgence of Slavic imperialism under Stalin as a passing phase, there is little reason to suppose that peace could soon emerge from a succession of communist revolutions in the major nations. The possibility of a proletarian revolt on a world scale and the existence of a world party dedicated to this end have been not unimportant factors in creating the situation which provoked the second European war. A world class-revolution, moreover, even if one grants the possibility of its ultimate success, could not hope to triumph "without an upheaval undistinguishable from a world war."¹¹ If prolonged, such a struggle would in all probability so weaken the fabric of civilization as to prevent the establishment of any sort of a durable international order. A new dark age is as possible under communist as under fascist auspices, and the two might not greatly differ. Capitalism, as an economic system, may not survive; indeed, it is undergoing a steady transformation all the time. Revolutionary communism, however, is a far cry from evolutionary change in the economic organization of society.¹²

If it is futile to expect enduring peace in a world either dominated or threatened by totalitarian power, the impracticability of *pacifism* as an approach to the problem seems equally clear. In recent years passive resistance to war has become fashionable among hundreds of student groups and adult peace societies in Western countries. The Oxford union adopted a motion "that its members would not be willing to fight in a war on behalf of their country. The 'Oxford Pledge' swept over the world; students everywhere took it up, and many who were not students."¹³ Certain religious sects, like the Quakers and Mennonites, have long required their members to become "conscientious objectors" in respect to military service.

¹¹ Salvador de Madariaga, *The World's Design* (London, 1938), p. 215.

¹² For the international implications of communism, see S. and B. Webb, *Soviet Communism* (2 vols., New York, 1936), Vol. I; H. J. Laski, "Communism as a World Force," *International Affairs*, January 1931; P. M. Brown, "The Russian Soviet Union and the Law of Nations," *American Journal of International Law*, October 1934; and T. A. Taracouzio, "The Effect of Applied Communism on the Principles of International Law," *Proceedings of the American Society of International Law*, 1934.

¹³ Clyde Eagleton, *Analysis of the Problem of War* (New York, 1937), p. 64. This excellent little volume should be required reading for all Americans seriously interested in peace.

Certain distinguished publicists, among them Bertrand Russell, advocate a "peace-at-any-price" philosophy on the ground that war is never conducive to justice, that, therefore, it is senseless to fight at all, and that right will ultimately prevail anyway.

The pacifist attitude cannot be dismissed as mere cowardice. On the contrary, to be a sincere and consistent pacifist demands real courage when one's neighbors are howling for blood. The real difficulty with pacifism, in any absolute sense, is that it solves nothing. First of all, pacifism confuses the means for the end. Even though at a given time, *enough* persons in *enough* countries should refuse to fight, so as to make a particular war impossible—a highly unlikely contingency—there would still be no permanent solution for international injustice. Peace is not always as important as justice. Sometimes the only way wrongs can be righted is by force—force, to be sure, not in the hands of bandits or greedy rulers, but force as an instrument of law. Granting its humane impulses, pacifism is essentially a negative approach to the problem of modern war. "It is bent on appearances rather than on realities, because it concentrates its active opposition to the system on the acute symptoms of the disease—the fits of military war—and neglects its chronic and more fundamental nature—the permanent state of war, or, in other words, international anarchy."¹⁴

In the second place, as Madariaga further observes, pacifism "is out of harmony with its own ends; for if successful in any one country, it would actually lead to war."¹⁵ The policy of the British and French governments, for example, may be said to have been substantially pacifist during the period from 1936 to September 1939. This attitude, however, not only failed to bring "peace in our time"; it actually allowed Hitler to annex Austria and Czechoslovakia and overrun Poland in three weeks, and then precipitated a major war. The trouble, of course, is that pacifism does not progress at an equal tempo in all the major powers—quite the contrary! Lacking this, pacifist policy may mean *national* suicide—"a peace of surrender"—just as national armament, divorced from a system of collective security, may prove equally disastrous against powerful aggressors. Without intending to do so, the pacifist and the militarist frequently join hands in producing the same result—war!

Pacifism is unrealistic in still a third sense. It assumes that it is possible for the individual opponent of force to isolate himself from the enterprise of war in case his nation becomes engaged therein. Given the all-pervading character of modern war, it is hard to see how this is possible short of committing *individual* suicide, for conscientious objectors may be

¹⁴ Madariaga, *op. cit.*, p. 197.

¹⁵ *Ibid.*, p. 197.

forced to perform civilian tasks which contribute directly to the common cause of military victory.

It is fair to conclude, with Professor Eagleton, that if "we regard passive resistance as individual refusal to fight in war, it is anti-social, since it puts the judgment of the individual above the judgment of the group, and refuses to share in the collective responsibility agreed upon by the group. If, on the other hand, passive resistance, or non-violent coercion, is to be regarded as a method or weapon which can, as effectively as does war, achieve positive results toward justice and human advancement, then it cannot be trusted to individual nations who might abuse it as they have abused war; it must be taken over by the community of nations, and organized under the control of the community."¹⁶ Then, and only then, can pacifism become truly constructive; for only under such conditions is the reckless use of force in world affairs likely to diminish. In the meantime—no one knows how long it will be—we might as well face realistically the prospect that the military weapon will not be abandoned by powerful nations until (1) they feel safe from attack, and (2) they are convinced that they can secure justice by other means.

THE REEDUCATION OF DEMOCRACY

With the foregoing assumptions as a point of departure, it may be useful to outline the tasks that lie ahead if world peace is to be brought nearer. At the outset, the authors disclaim any intention of offering a blueprint for the kind of peace settlement that should follow the present European conflict. At the time this chapter went to press, the whole situation was still in such a state of flux as to make this a premature if not a futile exercise. Before the Russian invasion of Finland, the British and French governments had repeatedly announced that their central war aim was to "crush Hitlerism" in order that Europe might be freed from the constant menace of aggression. The restoration of Czechoslovakia was promised. For Austria a plebiscite on its future relationship with Germany was implied without, however, being officially adopted as a war aim. How far the Allied guarantee to uphold Polish independence would be carried out if they defeated Germany remained uncertain. Whatever might happen, it seemed fairly clear that the frontiers of Poland would be adjusted more closely to ethnological conditions.

Despite pressure from labor and liberal circles, neither the British nor

¹⁶ *Op. cit.*, p. 76. See also a series of three articles on "Must Democracy Use Force?" by Aurel Kolnai, Reinhold Niebuhr, and Bertrand Russell in *The Nation*, January-February 1939.

the French government was yet prepared to specify its war aims in greater detail. It was easy enough to say that the Allies were fighting to overthrow Nazism, but exceedingly difficult to offer a constructive peace program for a Europe *minus* Hitler (and Stalin?). Before 1939 gave way to 1940, both Mr. Chamberlain and M. Daladier had hinted vaguely that the Anglo-French "union" for war purposes might well become the nucleus for a reorganized Europe; that this union would be open to any other states that might desire to join it, and that the result might eventually be some sort of general European federation. Various intellectualist and labor groups in both countries were openly and unqualifiedly advocating this as a "peace aim."¹⁷ While they found agreement easy on the general proposition that Western and Central Europe must "federate or perish," there were stubborn points of disagreement, particularly on whether it would be wiser to leave Germany united or to separate Prussia from Bavaria and make them distinct members of any European federal system that might be evolved. Conservative opinion in France tended to favor the division of Germany as the only "sure way" to prevent a recurrence of 1870, 1914, and 1939.

On the Allied side the discussion of peace plans had not gone much beyond these generalities. Across the Atlantic, the American government, through President Roosevelt, while reiterating its intention of staying out of the military phases of the war, implied nevertheless that it, along with other neutrals, had a vital stake in the kind of peace that would follow the conflict. Presumably, therefore, the United States intended to bring its moral and economic influence to bear upon the peace settlement, either directly or otherwise.¹⁸ Motivated by typical American idealism, various groups of intellectuals in the United States were engaged in study projects "for the organization of peace."

But the real test lay ahead. Would this enlightened point of view still prevail when it came to the hard job of liquidating the war and deciding how to use the victory? What if the struggle should drag on for years and attain the fury of a prolonged *Blitzkrieg*, leaving an unprecedented toll of death and destruction in its wake? Would the masses yield once more to hysteria and cry out for revenge? Or would they demand that their leaders avoid the mistakes of 1919? Concretely, would they consent to the surrender by their governments of "sovereign" control over such matters as armaments, trade, raw materials, and colonies?

Such questions as these go directly to the core of the problem of *democratic* reëducation for peace. Without such reëducation, no peace settlement,

¹⁷ See, for example, G. D. H. Cole, "British Labor's Double War," and Robert Dell, "The Menace of a United Germany," in *The Nation*, 23 December 1939.

¹⁸ In this regard President Roosevelt's message to Pope Pius XII, at Christmas time 1939, suggesting that the forces of religion unite on the assertion of "peace ideals," was significant.

however wise and sane, is likely to last. If the masses had behaved differently during the critical 1920's, in France, in Britain, in Germany, and in the United States, there would be no war today. These four major democracies, with sustained popular support of intelligent leadership, could have made the League system an effective instrument for disarmament, treaty revision, and economic coöperation. Time and time again, however, the efforts of well-intentioned statesmen were balked by the lag of public opinion.¹⁹ All too frequently, popularly elected leaders fail to follow their private convictions for fear that they may be forced out of office by the very public opinion which they may have fostered in seeking office, and that their places may be taken by more irreconcilable men than themselves. No more in foreign than in domestic affairs is the "voice of the people" always "the voice of God." The leaders are often right and the populace wrong.²⁰

The rational determination of foreign policy in a democracy is further complicated by another difficulty. "Men," once wrote Walter Lippmann, "may agree on foreign politics and disagree on domestic. But they have to vote wholesale while they think retail."²¹ During the decade prior to 1914, English Liberals friendly to the internal reform program of the Asquith government were forced to choose between supporting a foreign policy they did not like or voting Conservative. A similar dilemma faced many Americans in the Coolidge-Davis-La Follette campaign of 1924; how, for instance, could they vote for La Follette's domestic "progressivism" and Davis's pro-League policy? It could not be done—an unsatisfactory choice had to be made. Such examples as these might be multiplied indefinitely. Domestic partisanship with respect to foreign policy has at times caused a discon-

¹⁹ This was particularly noticeable, for example, during the critical winter of 1931-32, in reference to Manchuria, the Disarmament Conference, and proposals for international economic recovery.

²⁰ "More dangerous even than popular ignorance, are certain forms of popular knowledge. The professional diplomatist, having spent his life in studying the psychology and conditions of foreign countries, is very chary of basing generalizations upon hastily observed phenomena. The elector shows no such hesitation. A summer cruise to Dalmatia, a bicycling tour in the Black Forest, three happy weeks at Porto Fino, and he returns equipped with certain profound convictions regarding the Near East, the relations between Herr Hitler and his General Staff, and the effect of the Abyssinian venture upon Italian public opinion. Since his judgment is based upon feelings rather than upon thought, he is at the mercy of any chance encounter or any accidental conversation. The fact that some impatient policeman may have pushed or prodded Effic that day at Schaffhausen may well render Effic's parents 'anti-German' for life. The fact that the hotel porter at Ragusa presented Arthur with three interesting pre-war postage stamps, may well convince Arthur's father that the Jugo-Slavs are the kindest and most gentle race on earth. A slight controversy with the *ouvreuse* of a Paris theatre may, within the space of five minutes, turn a British citizen into a passionate Francophobe. Even such accidents as bad weather or a missed railway connection may permanently influence an elector's attitude towards foreign affairs. Such effects are not the least disturbing symptoms of democratic irresponsibility."—Nicolson, *Diplomacy*, p. 94.

²¹ *The Stakes of Diplomacy* (New York, 1915), p. 201.

tinuity in the conduct of national diplomacy which has interfered with efforts to further international coöperation. From 1919 to 1933 alternations of government control from one party coalition to another, both in France and in the Weimar Republic, seriously impeded Franco-German *rapprochement*. Not only rival political parties, but innumerable special interest groups (bankers, arms manufacturers, farmers, trade-unionists, exporters, importers, militarists, and pacifists) exert conflicting pressures upon the authorities responsible for the conduct of foreign policy. Such a situation, to be sure, is inevitable in a political democracy, but it does not always make for the minimum of consistency necessary for a sustained program of international coöperation. What is needed is not any less free channeling of public opinion, but rather the gradual acceptance by the entire public of certain fundamental principles in respect of international affairs. It has frequently been suggested that this objective might be aided by the establishment of a national advisory committee (or council) on foreign policy as an adjunct of the Foreign Office. If within its membership there were representative leaders from the legislative branch of government, both majority and opposition, spokesmen for major economic groups, representatives of leading educational and research institutions, and certain outstanding publicists, such a committee might help to sublimate partisanship, to bridge the gap between legislature and executive, and to articulate special desires with a broadly national interest.

This observation suggests a further difficulty. Popular opinion frequently finds itself confused—honestly confused—because of the inherent complicity of many international questions. Recall, for example, the evolution of American opinion on the war debt or the neutrality issues. The persistence of irrational clichés, resulting from traditional types of civic education, may, as Professor Friedrich has properly observed, make the electorate “desire both peace and the things that lead to war.”²² Even among college students, notably in the United States, current attitudes often reveal a confusion of mind, due in part to prejudices acquired from press or radio, in part to defective training in the lower schools.²³ The soil of democracy may at times be fertile for cheap demagoguery or even downright witch-hunting.

²² *Foreign Policy in the Making*, p. 60. This essay contains a thoughtful analysis of the obstacles in the way of organizing democracy for peace. Nevertheless, the author is forced to the conclusion that there is “no better or equal hope in the world.” See also D. C. Poole, *The Conduct of Foreign Relations under Modern Democratic Conditions* (New Haven, 1924); F. L. Schuman, *War and Diplomacy in the French Republic* (New York, 1931); F. R. Flournoy, *Parliament and War* (London, 1927); and J. Barthélemy, *La Conduite de la politique extérieure dans les démocraties* (Paris, 1930).

²³ A few years ago, at the University of Wisconsin, the results of a questionnaire, submitted to a large undergraduate class in World Politics at the beginning of the semester, showed an overwhelming majority to favor both “rigid neutrality” and “collective security.”

Nevertheless, granted that the organization of most national democracies for dealing with international affairs still leaves much to be desired, the instrumentalities of intercommunication now available to *free* peoples are such as to encourage the hope that the processes of constructive re-education will not take too long. As pointed out in Chapters VII-IX, there already exist the materials, techniques, and unifying forces out of which the sense of a living in an *international* community might be brought into being. As spiritual foundations for such an internationalism, we have not only a world community of ideas in science and literature, but the ethical concept of "the brotherhood of man" to be found in the major world religions.²⁴ As material foundations, we have a technology and a system of production, distribution, and communication which reduce the current quest for national isolationism and autarchy to an absurdity. It is precisely because modern economics has made national autarchy impossible that the Nazi régime was forced to invent *Lebensraum* as the excuse for a policy of expansion beyond the ethnic boundaries of the German nation.

"What shall we do to be saved?" asked Arnold Toynbee a few years ago; "our problem is to complete our education."²⁵ "Education," observes Professor Merriam, "is a means through which political change may be effected, including in this the processes of the press, daily and otherwise, and the radio, the cinema, or other modes of intercommunication. This is now recognized by whatever group of bandits come into power, since they snatch at the schools for the propagation of their point of view, and at the press and radio as similar instruments of obtaining conformity. At times it may seem as if madmen had taken possession of the schools, and were attempting to impose their will through the intelligence of the apparatus there established. Whatever their motives and whatever the degree of this success or failure in the long run, here is a speaking proof of the utility of the educational system as an instrument of long-time and relatively peaceful change."²⁶ It is not necessary to teach people to *love* all humanity, but merely to convince them of the indispensability of political and economic coöperation among nations if a civilized world order is to replace anarchy. This may be a large order, requiring for its realization certain fundamental changes in curricular content, textbooks, and methods of teaching social behavior in the schools of many countries, and calling also for the development of far more extensive programs of adult education than

²⁴ "In all literatures and in all folklores, the substantial man, permanent and universal, manifests himself through the ephemeral garb which time and place makes him wear. Proverbs, stories, legends, symbolic creations, and, when really great, characters created by poets, are the manifestations of man, universal and permanent man, the symbol of the unity of mankind, guessed or assumed."—MADARIAGA, *op. cit.*, p. 88.

²⁵ "Things Not Foreseen at Paris," *Foreign Affairs*, April 1934.

²⁶ *The Role of Politics in Social Change*, p. 94.

now prevail in most communities—programs that would utilize to the utmost the popular forum, the extension class, the educational broadcast, and the documentary film.

In certain countries (including the United States) enough progress has already been made in this direction to convey some notion of the tremendous potentialities of the reëducative process. Since the first World War, history textbooks used in the schools of most democratic nations have been rid of blatantly nationalistic distortions of fact and are beginning, slowly but surely, to emphasize the interdependence of human culture in our present-day world. Some years ago the International Institute of Intellectual Coöperation applied an interesting and suggestive technique in connection with an inquiry into the nature of school histories then in use. A national committee of historical scholars in one country examined the books used in a neighboring country and submitted their criticisms to the corresponding committee in that country. These observations were then communicated to authors and publishers for whatever revision of passages "dangerous to international understanding" that they might be induced to make. The International Congress of Historical Sciences carried this idea still further. During the 1930's, clauses for the revision of geography and history textbooks were inserted into several official agreements between states. The Council of the League of Nations unanimously passed a resolution requesting that all governments agree to call the attention of school authorities and authors to the desirability "of assigning as large a place as possible to the history of other nations" and of giving prominence to facts "calculated to bring about a realization of the interdependence of nations." By the end of 1938 thirteen League members, chiefly minor states, had formally signed a similar declaration on the teaching of history drawn up by the Committee on Intellectual Coöperation. The Advisory Committee on the Teaching of the Principles and Facts of International Coöperation, set up by the Institute, has studied this problem successively in the spheres of, history, geography, modern languages, and civics.²⁷

It is submitted that such steps as these, timid as they may be, are in the right direction. Within any program for lasting peace, intereducational agreements of much broader scope should be obviously included. Inter-governmental arrangements for foreign travel and study, as a part of the normal training of teachers of history, modern language, geography, and civics, could be inaugurated on an extensive scale with a monetary outlay equivalent to the cost of only a few battleships. The existing facilities for the international interchange of teachers, university professors, journalists,

²⁷ For details, see the *Bulletin of League of Nations Teaching* (published by the League Secretariat).

and investigators represent but the barest beginnings of an adequate program of this character.

As an agency of peace education the popular press presents a twofold problem. On the one side there is the question of news accuracy and completeness; on the other, the question of editorial interpretation of the news. Both questions are affected by the degree to which the press is free (1) from governmental dictation and (2) from subservience to selfish private interests. Complete freedom for the press is perhaps an unrealizable ideal—unless and until the organized journalists are able to impose a comprehensive code of ethics upon the exercise of their profession. On one point, however, there need be little disagreement: a commercial press is a lesser evil than a governmentally controlled press, although the suggestion has often been made that, under democratic auspices, an official newspaper might, in certain countries, serve as a salutary check or supplement to the privately owned press.

So far as accuracy and completeness in news coverage are concerned, the great American-owned press services have attained a level of high quality. Since the days of the first World War, newsgathering techniques have made tremendous strides. At the same time, the professional competence of the average foreign correspondent has greatly improved, another demonstration of what can be done under conditions of relative freedom from censorship, together with ample financial resources. Certain economic impedimenta, however, remain in the path of international journalism, even where it is not subject to the fiat of propaganda ministers. For example, the cost of long-distance transmission of news, by cable and wireless, is still too high, particularly as between Europe or America and the Far East. Another obstacle arises from the heavy customs duties on newsprint, ink, and printing machinery. The reduction of financial barriers to the full and free flow of news around the world should constitute an item in the "educational budget" for world peace—just as the removal of the shackles of nationalistic censorship is indispensable if popular enlightenment on the world's problems is ever to be realized.²⁸

The editorial treatment of news and issues in international relations depends, for its fairness and intelligence, upon the extent to which (1) newspaper management is immune to pressure from governmental sources or special interests and (2) upon the professional training and the standards of the editorial corps. Both *intra-* and *internationally*, the contemporary press exhibits the widest disparities on each of these counts. By and large, however, the deliberate suppression or distortion of news dispatches,

²⁸ League of Nations, "Coöperation of the Press in the Organization of Peace" (Geneva, 1932), *passim*.

or the use of appeals to chauvinism and mass hysteria, is much less characteristic of the nongovernmental press of today than that of a generation ago. Cheap "yellow" journalism still exists, but it is no longer accepted as a matter of course.

On the training side, national governments might profitably agree to aid in improving the equipment of future editors and correspondents by providing fellowships for advanced work in political science, diplomacy, and international economics—on the order of the Nieman fellowships recently set up at Harvard University. The effective training of specialists in international publicity will also be another not unimportant factor in the vitality of international governmental agencies. As suggested earlier, the League of Nations has been remiss in not developing adequate publicity procedures. The work of the International Labor Organization has likewise been handicapped by an unimaginative "public relations" program.

Turning now to the cinema as an instrumentality for "peaceful re-orientation," we discover that at least a partial realization of its far-reaching possibilities already exists. During the period from 1928 to 1937, the International Educational Cinematographic Institute, with headquarters at Rome, organized an International Congress of Teaching and Educational Cinematography; prepared a Convention for Facilitating the International Circulation of Films of an Educational Character, which was subsequently ratified by a considerable number of countries; and published a monthly bulletin (*Interciné*) and a Cinematographic Encyclopedia. When Italy announced its withdrawal from the League, the Rome government stopped its subsidy to the film institute, which thereupon closed its doors. In 1938 its liaison and information work was transferred to the Institute of Intellectual Coöperation. Included in the transfer was the power to attest to the educational value of films seeking exemption from customs duties of importing countries. The sound film has become so important, not only in the teaching of foreign language, but as a means of becoming acquainted with the life of other peoples, that its fullest international use should form an essential part of the educational framework of peace. The "March of Time" series suggests some of the possibilities. In addition, national governments might well be encouraged to circulate "documentary" films that relate sympathetically, faithfully, and artistically the struggles of man with the forces of nature and his own ignorance—rather than with his fellows! Two notable films produced by the United States Department of Agriculture—"The River" and "The Plough That Broke the Plains"—have had a world-wide appeal as human documents. "Abroad," comments a recent observer, "The River" has engendered more affection for and understand-

ing of the United States than any other single circumstance in the last five years."²⁹

Imagine the effect of an equally beautiful screen portrayal of the *international* effort to raise health and nutrition standards. Or of the work of the International Labor Organization to improve conditions of life for workers the world over.

This would be a form of factual "propaganda" to which no believer in peace, whether individual or government, could properly take objection. The technicians and artists are available—the commercial film industry has already produced them. The next step is to utilize them in the service of truth—as well as for entertainment. Already the commercial talking picture has served as a stimulus for the development of a secondary language in numerous countries. Report has it, for example, that the importation of North American sound films into South America has greatly expanded the knowledge of English among Spanish and Portuguese-speaking peoples who want to understand what their favorite Hollywood idols are saying! Whether this trend will ultimately aid the cause of a *general* international language is, of course, debatable.

Radio broadcasting vies with the cinema in its potentialities for the furtherance of international understanding. Not only may it be used as a vehicle of nationalistic propaganda, it may also powerfully serve peace. In order to facilitate this latter purpose, an International Convention concerning the Use of Broadcasting in the Cause of Peace was prepared and opened for signature by the 'Institute of Intellectual Coöperation in 1936.³⁰ This Convention is in the nature of a broadcasting nonaggression pact. The parties thereto agree not to allow broadcasts (1) that falsify news or provoke hostility to other nations among their "home" citizens, or (2) that are calculated to foment civil strife in other countries. The signatories agree further to take certain positive measures, such as the encouragement of broadcasts that will acquaint other peoples with their conditions of life and their culture (folk plays and songs, concerts and dramas, and the like); participation in world celebrations (like the recent Goethe centenary) which commemorate the work of men of genius; and the development of school broadcasting programs for "mutual understanding."

Acting in accordance with a request of the League Assembly of 1937, the Committee on Intellectual Coöperation called a meeting of representative writers, artists, and program directors of national broadcasting com-

²⁹ Ernestine Evans, "Much Could Be Done," *Virginia Quarterly Review*, Autumn 1938. The Pan American Union has recently established a motion picture section and has available a number of films and slides for loan purposes; similarly, the United States government.

³⁰ By November 1938 this agreement had been ratified by fifteen states (including Britain and France) and signed by eighteen others.

panies. These experts considered ways and means of establishing more effective liaison between the Information Section of the League and the broadcasting services, recommending, *inter alia*, that periodical broadcasts on the work of the League and related agencies be scheduled, that phonograph records of important speeches and events be placed at the disposal of national broadcasting centers; that collaboration to expand international "relay" arrangements for "peace" broadcasts be developed; and that radio reporters be given as full facilities as other journalists when on assignment abroad. That the standards of radio newscasting can attain a high level was attested by the admirable objectivity and completeness with which, on the whole, American broadcasting companies handled world news during the succession of international crises from Munich to the German invasion of Poland.

The mobilization of cinema and radio for the cause of "moral disarmament," both through governmental and commercial channels, needs to be directed toward the creation of an international symbolism which will ultimately enlist something of the emotional loyalty that now attaches to state and nation. Even with the best will in the world, this task will tax the patience and ingenuity of thousands of educated men and women in many countries. At the same time, there is no good reason why our modern techniques of mass appeal cannot be geared to the job of peaceful "indoctrination" as effectively as the dictators have used them to manufacture mass subservience into "tribal" nationalism. Perhaps the substance of international coöperation does not lend itself quite so easily to dramatization as to war. Yet there is ample material for drama in humanity's struggle against insecurity, poverty, ignorance, and disease—all of which lies at the heart of peaceful change by international agreement.³¹ The composition of songs and the adoption of flags, to symbolize the conquest of these human frontiers, would help to build up a sense of belonging not merely to a single nation or race, but to a larger society.³² At its best, nationalism should be like a tree pushing its branches above a garden wall. As it reaches higher and higher, the view expands and becomes clearer. Fruits are dropped on the other side of the wall and the tree's shade cools those who sit there; but its roots remain firmly in the ground from which it sprang. Similarly, internationalism and a spiritual nationalism are in no

³¹ In other words, comments Odgaard, "men may not like war, but they like poverty, insecurity, and injustice even less. So long as the vast majority live and labor monotonously and hopelessly in an unequal society, war will offer satisfactions that peace denies. . . . Any peace movement that fails to take account of this fact is beaten from the start."—*Op. cit.*, p. 49.

³² The Pan American Union is now holding a competition for a "hymn of peace" for the Americas.

sense incompatible. One does not destroy the other; on the contrary, each widens the other's horizons.

Despite all the heat and fury produced by defiant nationalisms on the contemporary world stage, there still exists a fundamental spirit of humanity which, given favorable material conditions, should reassert itself sooner or later. The task of those peoples steeped in the democratic tradition is to educate themselves to the supreme responsibility that rests upon them of making democracy a constructive force not only within their *national* societies, but in their dealings with less favored peoples. Without such liberal leadership preparation for world citizenship is likely to remain a futile hope. The noble words of Gustav Stresemann, uttered on the occasion of the German Republic's entry into the League of Nations, may appropriately be recalled here: "He serves humanity best who, solidly rooted in his own nationality, develops to the highest degree the spiritual forces with which nature has endowed him, and reaching across the frontiers of his own country contributes something to all men. That is what the great men of history have done, in all countries. It is upon the spiritual plane that nations are one with mankind, but they can equally unite upon the political plane if they have a clear understanding of their common evolution and the will to serve it."

XXXII

THE ORGANIZATION OF PEACE

WORLD GOVERNMENT AS A GOAL

Current discussion of the *institutional* approaches to a peacefully organized world reveals a natural conflict between what men of good will would ideally like to have and what is humanly possible within the predictable future. Theoretically, it is easy to make a convincing case for the establishment of a world federal system as the only permanent solution of the war-peace dilemma.¹ A "united states of the world" may some day evolve into being, provided civilization does not succumb to a new barbarism; but anything approaching such an achievement is utterly remote from present-day reality. The disruptive forces of nationalism are too rampant to be redirected overnight. Universality of political organization is not yet possible in a world as divided as ours. Even if we assume that totalitarian imperialism is to be destroyed, the peoples of the earth still will be separated by great cultural and political frontiers. Ultimately, these barriers may be transcended but it will require a long time to obliterate them sufficiently to make possible a world state.

Nevertheless, it may be worth while to speculate briefly upon what "the fathers" of a *world* constitution would face if they had before them, so to speak, a clean slate. In all probability, they would have to consider three broad categories of questions:

(a) what are the functions of government which, by their nature, call for *international* treatment?

(b) what areas of control or administration—bilateral, regional, continental, or intercontinental—are most suitable for the handling of these functions? and

¹ Among recent discussions of the problem of world government the following are noteworthy: Salvador de Madariaga, *The World's Design* (previously cited); Lionel Curtus, *Civitas Dei: The Commonwealth of God* (London, 1938); Lord David Davies, *The Problem of the Twentieth Century* (New York, 1931); H. N. Brailsford, *Olives of Endless Age* (New York, 1928); Oscar Newfang, *World Federation* (New York, 1939); and C. K. Streit, *Union Now* (New York, 1938).

(c) what institutional framework (system of representation, powers, administrative machinery, procedures, personnel, and finance) is needed to implement (a) and (b) above?

On (a), agreement could no doubt be easily reached that, at the very least, the following matters would be suitable for transference from national to international jurisdiction—in certain instances partially, in others wholly:

- (1) the right to use armed force in international relations;
- (2) the control and management of long-range communication by land, sea, and air;
- (3) the regulation of interstate commerce and the control of access to raw materials;
- (4) the control of currency and banking;
- (5) the regulation of labor standards and public health;
- (6) the adjudication of interstate disputes; and
- (7) the administration of *nonselfgoverning* (colonial) areas.

On most other matters, however, there would probably be division of opinion. Where, for example, should control over human migration be lodged? This question, of course, is of vital importance to world order because of its relation to population pressure, trade, labor supply and labor standards, and racial friction. Or take the status of linguistic, religious, and racial minorities: should an international authority be accorded the power to intervene locally in order to protect such groups from unfair discrimination or persecution? Some would say yes; others might emphatically advocate the opposite view on the ground that it would be a dangerous interference with "states' rights." Our constitution-builders would also be faced with the highly involved problem of how to distribute the taxing and spending powers—two of the most pervasive instruments of government yet devised by man. The practicability of aiding the progress of backward regions by loans for public works and grants for education and other social welfare services would be affected by the kind of solution reached on this issue. The more such illustrations are multiplied, the more complex the functional distribution of power at the international level would appear to become.

(b) The adjustment of areas of control to given functions would involve equally complicated decisions. The existing patterns of *national* government exhibit a wide variety of territorial and functional arrangements in the administration of public policy. Certain matters rest primarily within the jurisdiction of local governments (e.g., fire protection, street cleaning, garbage disposal); others belong exclusively to the national government (e.g., the coinage of money, defense, immigration policy, postal service);

while in a rapidly increasing number of instances either the determination or administration of policy, or both, is shared by national and provincial, or local, authorities; or *ad hoc* administrative areas are created at various points between the local and the national levels. As examples of these categories of control may be cited public education; press, cinema and radio; conservation of national resources; the regulation of transportation, industry, agriculture; civil and criminal law and justice; and so on. Even though the dominant tendency in the great industrial countries since the middle of the nineteenth century has been toward the centralization of power *nationally*, this has not gone without protest or counteraction. In such unitary states as Britain and France proposals for "devolution" and "administrative decentralization" have received wide attention, while within the United States of America necessity had produced a diversity of federal-state and interstate (i.e., regional) coöperative arrangements for the administration of social and economic policy. Adjacent states have entered into compacts for the creation of joint authorities to administer port facilities, river navigation, and power development projects. In one notable instance an autonomous public corporation (the Tennessee Valley Authority), cutting across state boundaries, has been set up to manage a comprehensive regional program of electric power development, navigation, flood control, land use, and social planning. Many phases of relief and social insurance are handled by a federal system of conditional grants-in-aid to the states.

In the international domain a somewhat parallel evolution appears to be taking place. Among existing arrangements for the coöperative handling of problems of concern to more than a single state, there are agencies with world-wide jurisdiction (e.g., the Universal Postal Union), others whose competence extends to an intercontinental combination of states, but whose membership lacks certain important countries (e.g., the League of Nations and the International Labor Organization), still others in the nature of looser groupings on a broadly regional basis (e.g., the Pan-American system), and finally, those created by reason of tradition, sentiment, and language (e.g., the British Commonwealth of Nations). Classified differently, some of these associations are unifunctional (e.g., the administrative unions in the field of communications, science, and technology); others deal with a wider though still limited segment of public policy (e.g., the I.L.O.); while the Geneva League and the British Commonwealth, each in its own way, may concern itself with a great variety of matters.

As already noted, this pragmatic development of international organization has produced a certain amount of duplication or overlapping of effort, while at the same time leaving gaps in which there is still little or no coöperative action at all. Both the Geneva and the Pan-American systems deal with international public health problems, aviation and radio

regulation, and such matters as copyrights and trade-marks. International coöperation on postal matters involves both a world-wide agency with headquarters at Berne, Switzerland, and a regional agency located at Montevideo, Uruguay. Functionally, the research work of the I.L.O. and that of certain of the League's economic and social services has at times overlapped (e.g., the inquiries on nutrition and the world economic depression). By and large, however, informal arrangements between administrative staffs have obviated any appreciable wastage or misdirection of effort. As a matter of fact, perfect coördination seldom exists within the framework of a national government. The point being stressed here is that, even if the architects of a new world order had a free hand, they would probably find it impracticable to set up a fully integrated structure with a nicely symmetrical adjustment of functions and units of administration.

Whatever world system might be devised, it would probably have to be flexible enough to allow for bilateral or multilateral (regional) agreements on numerous questions. Indeed, international coöperation had its historic origins, partly in alliances that bound together small groups of states for certain purposes, and still more as a consequence of bilateral treaties, some of which later evolved into long-term multilateral agreements. In part, at least, regulation of waterways dividing two states (e.g., the St. Lawrence River) might be left to the latter, provided the principle of freedom of navigation and equal treatment for all were preserved. For certain purposes, regional blocs of states closely associated by language and economic interest (e.g., Scandinavia) might well be encouraged to enter into agreements binding only themselves, provided, again, that they did not contravene the general provisions of the "world constitution."

(c) Determination of the structural framework of a world federal order would present difficulties of equal, or even greater, magnitude. Assuming the existence of a large number of "member" states differing greatly in population, territorial size, and taxable wealth, what kind of system of representation and voting could be set up? The history of national federalism demonstrates the necessity of reconciling population and state equality in whatever legislative organism is devised. The traditional means of arriving at this result has been through a bicameral legislature in which the members of one house are territorially distributed according to population while in the other house seats are allocated so as to give member states substantial voting equality. Bicameralism, however, has been the target of severe criticism on the ground (1) that it is unduly cumbersome and expensive and (2) that it is conducive to logrolling and a general sense of irresponsibility. While this may be the price of federalism on a world scale, it might prove preferable, for example, to establish a one-house legislature and to have the members chosen in various ways—partly by direct election on a population

basis, partly by nomination of functional groups, partly, perhaps, through appointment by the international executive.

A somewhat different solution would require a "double" majority for decisions by the international legislative authority. By way of suggestion, a two-thirds (or three-fourths) majority of all member states, each state having one and the same vote, plus the votes of *individual* legislators representing a majority of the *total* population of the federation, might be advisable for important questions. One thing is certain: the traditional rule of unanimity would have to be discarded. But how to weigh acceptably the various kinds of power and interest in the world society would, at best, constitute a baffling problem.

Nor would the composition of the executive be any easier. A single-headed executive would hardly be feasible except on a rotating basis because of national jealousy and other obvious considerations. Some sort of executive council would probably be necessary—preferably smaller than the existing League Council but including *permanent* representatives of the most populous states, the other councilors being chosen for short terms by representatives of the remaining states in the legislature. Or, as in the case of the existing method of choosing judges of the Permanent Court, the votes of Great Power representatives might be counted *twice* in the election of members of the executive council. It is difficult to conceive of a satisfactory electoral system by which a world executive, plural or otherwise, could be chosen by direct popular vote.

Enough has been said to indicate how much the success of federalism depends upon the ingenuity and inventiveness of its operators. Few of us would disagree with Lord Davies when he says that "the paramount task of international reformers and statesmen is to discover and create an international political organism in which the freedom of national development is assured, but which precludes the employment of violence against, and the infliction of injury upon, others. In other words, it involves the establishment of the rule of law."² But history attests man's proneness to build his agencies of justice and order brick by brick. The fact that, in Madariaga's words, "by acceding to the World Commonwealth, each nation enlarges its domain to cover the whole earth," will not cause the major countries to internationalize their freedoms all at once.³ Nor is the power to reach down to the individual and regulate his behavior likely to be conferred upon any supernational authority immediately. Barring cataclysmic developments, progress toward a world commonwealth will come gradually—by broadening out from precedent to precedent—by trial and error.

² *Nearing the Abyss: The Lesson of Ethiopia* (London, 1936), p. 124.

³ *The World's Design*, p. 134.

A "UNION OF DEMOCRACIES"—Now?

There are those who readily grant that, for the time being, the establishment of effective international government on a world-wide scale is Utopian, but who argue, nevertheless, that a "union of democracies" here and now is both feasible and desirable. During the past few years such a proposal has been advanced notably by two Anglo-Saxon publicists—one an Englishman, Lionel Curtis, and the other an American, Clarence Streit. In his monumental treatise on *The Commonwealth of God*, Mr. Curtis cites the successful experience of the British Commonwealth of Nations as a practicable basis for a new League of Democracies to be initiated by Britain and the Dominions. The existing League having failed because its members are "too many in number and too diverse in their outlook," the English-speaking members should formally withdraw and at the same time invite the leading powers "to discuss the terms of a new Covenant." While this move would probably fail of its larger purpose, the states of the British Commonwealth, long accustomed to responsible government, should nevertheless proceed to bind themselves together constitutionally by pledges which they are prepared to keep. In Mr. Curtis's opinion, the most likely nucleus for an international commonwealth is to be found in the Southern dominions—Australia, New Zealand, and South Africa. Continues Mr. Curtis: "If and when its stability was proved and also its capacity to include other democracies, those even of northern Europe, Canada would, I think, follow suit and by doing so pave the way for its ultimate fusion with the great American Commonwealth. And whenever the people of North America add their strength to an international commonwealth the epoch of world wars in which we are now living will be finally closed."⁴

While proceeding substantially from the same premise as Mr. Curtis, Clarence Streit's *Union Now* goes much further in its prognosis. One of the most widely discussed books on international relations to appear since the first World War, this volume sets forth a detailed blueprint for a full-fledged federal union of fifteen leading democracies. Included within Mr. Streit's list of initially eligible members are the United States, Great Britain, Ireland, the four self-governing Dominions, France, Belgium, the Netherlands, Switzerland, Denmark, Norway, Sweden, and Finland. These are selected because they are "the world's greatest, oldest, most homogeneous and closely linked democracies, the peoples most experienced and successful in solving the problem at hand." At the same time, observes Mr. Streit, their combined strength would be sufficiently preponderant to enable them to reduce their armaments drastically and still hold a "two-power standard

⁴ *The Commonwealth of God*, p. 944.

of armed superiority over the powers whose aggression any of them now fears." Their economic power would be even more impressive, for they would control over 50 per cent of nearly every essential raw material—in many instances (coal, oil, iron, cotton, for example), two-thirds to three-fourths of the total world supply. Although having an aggregate population (without dependencies) of less than 300,000,000, they "own almost half the earth, rule all its oceans, govern nearly half of mankind."

United by "a common political principle," these fifteen countries constitute, in Mr. Streit's view, an effective nucleus, not too large, not too small, for an international federal union. As the organic charter for this Union, the former Geneva correspondent of *The New York Times* proposes an adaptation of the Federal Constitution of the United States of America. Another "League," he argues, will not do. The history of the existing Geneva League convincingly demonstrates this fact. While its failure may be traced partly to the misguided attempt to make it universal, the central reason lies in the fact that it is a government not of peoples, but of governments and by governments, resting upon a cumbersome and unrepresentative framework, powerless to coerce either governments or individuals, and without adequate jurisdiction over those relationships that contain the germs of war and prevent the realization of general peace and prosperity.⁵ The member states, therefore, should agree to transfer to the new Union government full power:

- (1) to grant citizenship,
- (2) to maintain a common defense force,
- (3) to regulate interstate and foreign trade,
- (4) to provide a uniform monetary system, and
- (5) to operate all interstate communication services (postal, railway, maritime, aerial, telegraph, telephone, and radio).

All other powers of government would be reserved by the constituent states, by their subdivisions, or by the people themselves. Existing colonies and other dependencies which cannot govern themselves would become territories of the Union and "be eligible for admission as member nations when they develop into self-governing democracies, just as the western states were admitted to the United States."

In an "illustrative Constitution" (see the Annex of *Union Now*), Mr. Streit outlines a governmental framework for his Union. The voters in the member states would directly elect a Union Congress and Executive. Representation in the lower House of the Congress, to be distributed on the basis

⁵ Chap. VI of Mr. Streit's provocative book presents an effective critique of the League system.

of one representative to every million population, would initially be as follows:

U.S.A.	126
Great Britain	47
France	42
Canada	11
Belgium	8
Netherlands	8
Australia	7
Sweden	6
Denmark	4
Switzerland	4
Finland	4
Ireland	3
Norway	3
New Zealand	2
Union of South Africa	2
TOTAL	<u>277</u>

The upper House, or Senate, would consist of two members for each state, with an additional weighting for the populous countries, so that France and Britain would each have four and the United States ten, with a total membership of forty-two. The executive power of the Union would be vested in a Board of five members, three of whom would be elected directly by the citizens of the Union and the other two by the House and Senate. The members of the Board would be chosen for short, overlapping terms. As its chairman, the Board would choose one of its members who, with the title of Premier, would hold office only so long as he had "the confidence of the majority party in Congress." To become a law, declares Mr. Streit's Constitution, "a bill must pass the House and Senate and be approved by a *majority of the Board*. If a *majority of the Board* shall return the bill with its reasons for not signing it, the bill shall become law only if passed again by House and Senate by two-thirds roll-call majority." The judiciary would consist of a High Court and such lower courts as the Congress might, from time to time, establish. Finally, or rather initially, the Union Constitution would contain a Bill of Rights embracing almost textually all the traditional eighteenth-century "freedoms" to be found in the American Federal Constitution.

From the foregoing outline, it will be seen that Mr. Streit has attempted to combine the advantages of both the parliamentary and presidential systems of government so as to provide "responsiveness" along with "stability." Except for the organization and powers of the Executive Board, however, the plan follows the American model—even to the inclusion, for example,

of the historic but now outmoded impeachment process! Fundamentally, the Streit thesis is that, by uniting, the world's leading democracies can not only save their liberties and lay the specter of war, since they will "be stronger than any possible combination of enemies," but also immensely simplify the apparatus and reduce the cost of government. It is obvious that Mr. Streit envisages the establishment of substantially free trade throughout the area of the Union. Aided by stable money, goods would move "as freely and profitably" among member nations as they now do among the states of the American Federal union. Depression and unemployment would end with the tremendous stimulus given to new enterprise. The level of prosperity would be raised for the entire population. So the argument runs.

While paying full tribute to Mr. Streit's courage and sincerity, and recognizing the important impetus to peace education which the widespread discussion of *Union Now* has already provided, its general conception is open to serious criticism on at least three important counts. The first is that the plan overlooks the stubborn facts of contemporary nationalism. Even within the great democratic states, there is little evidence that people are yet ready to entrust their defense to an international force organized on an intercontinental basis—a task of organization, by the way, much more complicated than Mr. Streit appears to assume. Or can one imagine that the United States and the British Dominions would quickly surrender their right to limit immigration, even if only from Western Europe? Or their power to determine basic tariff policy? If the "entangling alliance" cliché could be used with such telling effect against American entry into the Geneva League, how much more difficult would it be to dispose of the bogey in connection with American membership in a *real* superstate organization? The question answers itself. It is not without significance that the United States, the most powerful of the world's existing federations, has been more reluctant to surrender "sovereign" rights than either France or Britain. Incidentally, history shows that, with the exception of Australia, no federal state has come to full fruition without civil strife.

In the second place, the chances are that even if the democratic powers could somehow forget the "sovereignty nonsense" and unite, that very action would tend to drive all the other powers into one camp, accentuate the cleavage between "Haves" and "Have-nots," and provoke conflict. Democracy, after all, is a relative term. Why should any national community whose policy is peaceful be excluded from the Union? It would indeed be ironical if various Latin-American countries were alienated from the United States by being declared ineligible to join because their governments were not sufficiently "democratic." For the time being, it may be much more important to preserve the solidarity of the Western Hemisphere.

Thirdly, *Union Now* appears to be based somewhat unrealistically on a laissez-faire ideology. The assumption is that it is desirable to superimpose an eighteenth-century charter of government, formulated for an isolated agricultural community, upon a highly complex international situation in the twentieth century. Under existing conditions of international economics, is it reasonable to expect that tariff walls can be eliminated and divergent currency systems unified at one fell swoop—or even two or three? The dislocation of national economies would be terrific. Today few economists are naïve enough to think that the world can soon return, if ever, to the relatively free-trade situation of the nineteenth century. Instead of less regulation of economic activity, there is likely to be more—at *all* levels of government. National planning may be a hallmark of “closed” economic systems—or it may be the prelude to world economic planning—of production, of marketing, of the utilization of national resources, of capital investment, and so on. At present there is no one with sufficient prescience to adumbrate the framework for a fully integrated system of international economic control. For this very reason it bids fair to develop piecemeal—by “federalistic” arrangements of a pragmatic and *ad hoc* character, but involving *all* the major industrial and agricultural communities.

In short, democratic federalism is a highly complicated organizational pattern. Only a few peoples, living on a compact territory and under relatively favorable economic conditions, have thus far been able to apply it successfully. Thus far, it has not, for example, worked well in South America. Nor has it yet taken hold in large-scale industrial organization. International *economic* federalism, foreshadowed perhaps by the structure of the I.L.O., may become as important as *political* democracy. Politically, *Union Now* may anticipate the future; economically, its assumptions are remote from current reality. “Its great value,” as Robert Dell has remarked, “lies in the fact that it will prepare public opinion for what must ultimately be the solution of the problem of peace.”⁶ Meanwhile, the urgency of less grandiose adjustments compels the attention of students of peace.

THE LEAGUE AND EUROPEAN POLITICAL REORGANIZATION

By reason of a common cultural heritage and geographic unity, Western and Central Europe possess real potentialities for closer political union. What is more, the gradual liquidation of the sovereign state system into an internationalized European order would remove one of the chief danger

⁶ An organized movement, the *Inter-Democracy Federal Unionists*, with headquarters in New York, is now actively propagating *Union Now* doctrine by means of a monthly bulletin, lectures, forums, study groups, and so on, in the United States, Canada, and Western Europe.

zones in contemporary power politics. In addition, the operation of the Geneva system over two decades has provided a wealth of experience in the art of interstate coöperation—experience that could profitably be tapped by the builders of postwar Europe.

Broadly speaking, one of the chief difficulties with the League has been that it has had to cope with two sets of problems within a single institutional framework. A whole cluster of important *political* issues were intra-European in scope, while at the same time economic, social, and technical questions, of wider concern, forced themselves into Geneva's purview. With the United States, and until 1934 the Soviet Union, outside the League, it tended to become an alliance of European *status quo* powers, particularly after the exit of Japan, Germany, and Italy. Since the expulsion of the Soviet Union, in December 1939, the League, insofar as it retains any *political* force at all, provides a rallying point of democratic defense against totalitarian aggression, without, however, being able to function as a true collective system either on a continental or on a world-wide basis. Its present membership does not possess sufficient military strength to guarantee security against a combination of dictator powers.

In the light of actual events, most of the proposals for the revision of the Covenant, from 1936 to the Munich period, sound curiously unrealistic today. In general, two opposing points of view marked the reform discussions at Geneva. One group held that the League should abandon all pretense of trying to become "universal" and develop instead into a closely knit collective system in which sanctions would be automatic, coercive, and applicable by majority vote of the Council—which would have meant, in effect, an organized alliance of "law-abiding" powers against aggression. The Soviet Union (so long as Litvinov retained his influence), France, and New Zealand led in supporting this position. The other point of view stressed the importance of drawing nonmembers, particularly the United States, into closer association with the League, and therefore proposed the virtual scrapping of the sanctions provisions of the Covenant. Switzerland, Canada, and several of the Latin-American states, notably Chile, were foremost in advocating this reorientation of the League's structure. In proportion as appeasement became the dominant policy of 10 Downing Street, Great Britain tended to move into the nonsanctionist camp. On the floor of the Assembly every delegate persisted in his firm attachment to the "fundamental principles" of the Covenant, but these were variously interpreted.

In October 1936 the Assembly set up a Special Committee (of Twenty-Eight) to Study the Application of the Principles of the Covenant and to submit a report "indicating the definite provisions, the adoption of which it recommends." During the next two years, this Committee examined a

variety of proposals from member governments, yet without discovering any magic formula for the baffling dilemma. There was general agreement that formal amendment of the Covenant, in any substantial sense, would not be a practicable procedure. Gradually, also, it came to be recognized that some diminution of League authority was inevitable. A good deal of discussion centered on the possibility of coördinating the Covenant with the Pact of Paris and the Argentine Anti-War Pact, but there were difficulties even in the way of this relatively simple proposal.

Finally, by the autumn of 1938, the Assembly voted to recommend one minor amendment, namely, the separation of the Covenant from the Peace Treaties, and to "reinterpret" Article 16 by "resolution." Thus, by an ironic paradox, just as Hitler was delivering one of his most damaging blows to the tottering Versailles system, Geneva moved to delete all reference to the much-abused treaties from the League's constitution.⁷

The effect of the resolution relative to Article 16, introduced by Great Britain and adopted unanimously, was to render the application of sanctions *optional* with League members. It was decided that, after consultation, each member government should be free to determine the measures, economic or otherwise, which it would impose upon the aggressor. By this action it was hoped that the way would be opened for "associate" membership in the League by such countries as the United States. A second resolution, designed to strengthen the mediatorial procedures of Article 11 by allowing the Council to make reports or to recommend action by unanimous vote *not* counting the disputant parties, failed of adoption only because of the dissenting votes of Poland and Hungary.

During the post-Munich period, further League reform was clearly out of the question. But with a revival of interest in plans for European reorganization, following the current war, the possibility suggests itself of using the League's *political* machinery as a point of departure for the establishment of a closer organization of the European Continent. Within League circles, after 1936, a definite current of opinion developed in favor of "regionalizing" much of the Geneva system. For example, it was suggested that a European Council might be set up, after the model of the League Council, with permanent representation for Britain and France and rotary representation for lesser states at the outset, the other major states to be

⁷ This action involved verbal changes in the Preamble, Articles 1, 4, and 5, and the Annex to the Covenant. See D. P. Myers, "The League of Nations Covenant—1939 Model," *American Political Science Review*, April 1939. For further reading on League reform: Clyde Eagleton, "Reform of the Covenant of the League of Nations," *ibid.*, June 1937; P. Guggenheim, "Legal and Political Conflicts in the League of Nations," in *The World Crisis* (previously cited); M. Bourquin (ed.), *Collective Security* (Paris, 1936); *Geneva and the Drift to War* (Problems of Peace, 12th Series, London, 1938); *The Future of the League of Nations* (London, 1936); *International Sanctions* (London, 1938); and Sir Arthur Salter, *Security: Can We Retrieve It?* (New York, 1939), Part II.

given permanent seats if and as conditions permitted their incorporation into the new system. This Council might serve (1) as a final umpire on controversial aspects of European policy, and (2) as a directive agency for whatever general police force were created for Europe.

Under the Council's jurisdiction, a technical agency, modeled after the League's Permanent Commission on Armaments, might be established (1) to supervise the transition from wartime armaments to peacetime police requirements, and (2), for as long as necessary, to inspect the military establishments of the various European states in order to make sure that they were observing their disarmament obligations. The Council would also have to be responsible for a European general staff to direct the police force. At the start, the latter might consist of fixed contingents of the Allied armies, to which proportionate quotas from the ex-neutral and ex-enemy states could eventually be added. Eventually, also, the manufacture of arms and ammunition might well become a monopoly of the all-European authority (whatever it be called), while the progressive scrapping of all weapons of a clearly offensive character (heavy artillery, big tanks, bombing planes, and so on) would be an indispensable aspect of any such all-European security arrangement. In addition, it is not easy to visualize a peaceful and stable European order without the internationalization of aviation, civil as well as military.

To serve as a European policy forum and general legislative body, an Assembly would be necessary. Instead, however, of restricting the membership of this body to diplomatic representatives of governments, it might be desirable to include a limited number (1) of popularly elected delegates, and (2) of nominees of functional groups—employers, labor, coöperatives, agriculture, for example. While departures from the traditional principle of state equality and the rule of unanimity would doubtless come slowly, the successful development of the Annual Conference of the I.L.O. suggests the possibility of various intermediate solutions. For the immediate future, the chances are that in the constitution of any feasible form of European union, member states would not allow themselves, without their prior consent, to be bound on important matters of legislative policy. At the same time, the ratification process might be expedited by establishing the rule that, unless a state signified its dissent within a prescribed period of time, it should be regarded as having accepted the convention in question. As in the case of the I.L.O., again, the signature stage could be eliminated altogether.

Admittedly, in order if any such European union were to evolve into an effective instrumentality, there would have to be certain definite abridgements of national sovereignty. For example, the Union legislature would have to have the power to impose levies, presumably on a percentage basis,

upon state budgets if the Union authorities were to be assured of adequate financial resources. In all probability the largest single item in the Union budget would be that for the maintenance of the all-European police establishment. During the immediate period of postwar reconstruction, another sizable portion of Union expenditure might well be earmarked for aid to those regions which had suffered severely from military operations or economic dislocation.

In the next place, individual and minority rights ought to be guaranteed by all-European agreement and a workable procedure for implementing this guarantee developed by the Union government. Constitutionally, this might take the form of a European "bill of rights" which would clearly enumerate the duties of states with respect to the fundamental rights of human beings regardless of nationality, race, language, or religion. At the least, these guarantees should include equality before the law; the right of free speech, assembly, press, and religion; and the right to use one's native language and to secure instruction in it for his children, together with admission, on a nondiscriminatory basis, to institutions of public education, to private businesses and professions, and to public employment. In case any of these guarantees were violated, the injured minority should have the unqualified right to request the appropriate agency of the Union, presumably a permanent minorities commission, for full investigation, report, and recommendation. If, within a reasonable time, the offending government failed to correct the situation, the Union Council, acting by less than unanimous vote, should have the power to impose such sanctions as appeared to be most appropriate under the circumstances.⁸

To some, this proposal may imply excessive international interference in local policy. Ideally, to be sure, it would be preferable if no central control whatever were necessary. But for a long time to come, what with the bitter heritage of racial and religious intolerance with which Europe in particular is now cursed, it would be futile to expect as a matter of course civic justice for minority groups from the governments of all states. Even though the new map of Europe be drawn so as to violate ethnic lines as little as possible; even though, also, the physical exchange of populations (as in the case of the Greeks and Turks after the first World War) be effected wherever feasible, there will still be areas in which diverse nationality groups will be forced to live together.

Here, again, Geneva's experience in operating the minorities treaties of the early 1920's could profitably be drawn upon. One defect of the League's minorities' régime was that it was made applicable only to states

⁸ For comprehensive treatment of the minorities problem, see C. A. Macartney, *National States and National Minorities* (London, 1934); also O. I. Janowsky and M. M. Fagen, *International Aspects of German Racial Policies* (New York, 1937).

of secondary importance. The Great Powers—Italy and France, for example—undertook no treaty obligations with respect to the South Tyroleans or the Alsace-Lorrainers. It was natural that the other states should resent this inequality of treatment. Yet each time that a generalization of the minorities' régime was proposed, the former Allied powers objected. Before 1933, interestingly enough, the only state not bound by a minorities treaty which indicated its willingness to assume such an obligation was the German Republic.⁹ Since 1933, of course, the Nazi government has been the most notorious, though by no means the only, flouter of civic rights for minorities. After the first Jewish persecutions, an appeal was taken to the League Council, but all the latter did was to reaffirm "the hope that the states which are not bound by any legal obligations to the League with respect to minorities will nevertheless observe in the treatment of their own racial, religious or linguistic minorities at least as high a standard of justice and toleration as is required by any of the Treaties and by the regular action of the Council."

As was to be expected, Berlin paid no attention to this ineffectual resolution. Not only did it proceed with its cruel policy of liquidating the Jews, but it reiterated unsubstantiated charges of discriminatory treatment of German-speaking minorities by its neighbors. Millions of helpless individuals became involuntary exiles, many of them with no place to go. Europe now is at war partly because the Nazi régime, by ostensibly intervening to protect German minorities, has reduced millions of Czechs and Poles to virtual enslavement within the "Greater" Reich. Looking backward, we cannot fail to remember that among the major causes of the conflagration of 1914 was the unfair treatment accorded minority groups in the polyglot Austro-Hungarian Empire. Until men who differ in color or tongue or religious belief can learn to live peaceably side by side, there is, of course, little hope for European (or world) peace. That such situations promising human conflict can yield to statesmanship is brilliantly proved by the history of Switzerland and Canada. With patience and good will, a unified Europe should be able to devise ways and means of reconciling its divergent population groups.

Closely related to the minorities problem is that of control over territory. Within a truly federalized Europe, interstate boundaries would no longer bristle with frontier guards, customs officials, or the other symbols of state authority—no more, at any rate, than do interstate lines within the American Federal union. Pending the full realization of federalism, how-

⁹ Under the Polish-German Convention of 1922, Germany had agreed for fifteen years to guarantee equality of treatment to the non-German population of Upper Silesia. Despite this engagement, the Nazi régime lost little time in applying its "Aryan" laws to Jews living in that territory.

ever, orderly procedures for adjusting territorial disputes must be available. This, of course, is of the essence of "peaceful change," for it affects the legal rights and interest of states.¹⁰

Those disputes involving territorial jurisdiction which may be settled without disturbing the legal *status quo* need cause little difficulty. Adequate machinery for their adjudication already exists in the Permanent Court of International Justice and various *ad hoc* arbitral arrangements—the use of which should be made compulsory. But in the case of so-called nonjusticiable disputes no permanent adjustment may at times be possible short of the transfer of territorial rights from one party to another. This requires new law in the form of treaty revision. How may this be secured if the beneficiary of existing rights refuses to consent to any change? The peaceful settlement of such controversies (e.g., the Chaco) by mediatory and conciliatory procedures is impossible when one side stands adamant on its rights as it interprets them. The refusal of France and the succession states to allow the territorial revision of the 1919 Peace Treaties resulted eventually in their forcible liquidation. However the new internal boundary lines of Europe may be fixed, it would be foolish to assume their immutability.

In order to prevent future territorial disputes from provoking resort to force, two devices suggest themselves. One possibility would be the creation of an *equity* tribunal, either as a section of the existing World Court or independently, to which such situations could be taken for settlement. As another possibility, either party might be allowed to appeal its case to the European Assembly. By techniques so designed as to ruffle national pride as little as possible, this body would attempt to bring the disputant parties together. Failing this, a commission of experts could be appointed to investigate the dispute. Upon inquiry, a plebiscite conducted under international auspices might prove in certain instances to be the most suitable solution.¹¹ In other cases, temporary (or permanent) administration of the disputed territory by a special interstate agency might be advisable; in still others, there might be a compulsory interchange of populations. If either party refused to accept the commission's recommendation, the Assembly should have the power to impose it by, say, a two-thirds or three-fourths majority, including the votes of *all* the *major* states not directly concerned in the controversy.

¹⁰ The literature on "peaceful change" has attained large proportions during recent years. For a detailed background of the problem, see especially C. R. M. F. Cruttwell, *A History of Peaceful Change in the Modern World* (London, 1937); F. S. Dunn, *Peaceful Change* (New York, 1937); T. Gihl, *International Legislation* (London, 1937); J. F. Dulles, *War, Peace and Change* (New York, 1938); and International Studies Conference, *Peaceful Change* (Paris, 1938).

¹¹ The recognized authority on international plebiscites is Miss Sarah Wambaugh. See her *Plebiscites* (Washington, D. C., 1918) and *Plebiscites Since the World War* (2 vols., Washington, D. C., 1933).

This procedure, be it recalled, would be in harmony with President Wilson's original idea for the League of Nations. If this idea had prevailed, Article 10, which guaranteed the *status quo*, would have been tempered by provisions for peaceful territorial change; that is to say, by implementing Articles 11 and 19 in substantially the manner here suggested.¹² In place of being merely "advice," the European Assembly's decision would have the effect of law. What is more, the Assembly could on its own initiative consider conditions not involving specific treaty rights, but likely nonetheless to cause friction, and adopt such preventive measures as were deemed advisable. Actual experience with these procedures of "peaceful change" would doubtless suggest further refinements in their technique. At the same time, if economic and colonial relationships, both intra-European and world-wide, could be made to yield to similar treatment, the domain of international conflict would be greatly diminished. Within the framework of the general European union, regional agreements, not unlike the Oslo or Balkan ententes of the 1930's, might pave the way for freer trade and facilitate capital investment for productive purposes. In this connection a Danubian customs union might eventually be geared in with Anglo-French, Scandinavian, and Germanic low tariff combinations so as to effect the lowering of intra-European trade barriers generally.

A European settlement that conformed to the foregoing principles, if it had its own machinery of execution, should bring eventual pacification to that Continent. The technical and research facilities of Geneva, while continuing to serve world-wide interests, could be put to the task of formulating long-range programs of social and economic betterment for consideration by the representative organs of the Union. With a steady improvement in the material conditions of life in the poorer areas, the sharp division of "Haves" versus "Have-nots" should gradually be blurred, although it would doubtless never disappear altogether. Within the United States of America, disparities in the standard of living still exist as between the north-central and the southern regions; but these disparities are mitigated by use of the Federal taxing and spending power. So might it some day be in a federalized Europe.

THE COLONIAL PROBLEM

Whatever be the nature of the European settlement, it cannot be divorced from the colonial question. Of existing colonial powers only two—

¹² While the Covenant was being drafted, Switzerland proposed that "decisions of the Assembly, to be binding, must be voted by a three-fourths majority; and in addition, the States making up this majority must represent three-fourths of the total population of the States belonging to the League."—Bourquin, *op. cit.*, p. 200.

Japan and the United States—are non-European. The latter, moreover, scarcely counts as a colonial power in view of its probable relinquishment of the Philippines. It will be recalled, also, that two of the three powers that have clamored for greater colonial possessions during recent years are in Europe—Germany and Italy. If, therefore, the colonial problem be looked at merely in terms of territorial redistribution, it would appear to be one for adjustment around the European council table. From a wider point of view, however, the colonial question has important implications for the world as a whole. Colonies are not only principal sources for a considerable number of raw materials, but they offer outlets for capital investment and constitute markets for surplus goods. The welfare of native peoples, not yet ready to govern themselves, is likewise a concern of humanity generally.

Although in any internationalized system of colonial administration Europeans would undeniably play a leading role, the factors here referred to are so general that the principles underlying the system should be determined by world-wide agreement. As a first step, tropical Africa, Madagascar, the East Indies, and colonial Oceania might well be placed under a strengthened and expanded mandate system. This action would require Britain, France, Holland, Belgium, Italy, Spain, Japan, and the United States to surrender "sovereign rights"; but it need not disrupt existing colonial administrations, except, possibly, in those territories now held as mandates under the Treaty of Versailles. There are strong psychological and moral grounds for transferring the control of these former German colonies to German hands, provided they are not Nazi hands! Concomitantly, it would be desirable to establish centers for training colonial administrators, so that in the course of time a truly international colonial service, open to applicants from all countries, might be developed. Men so trained could be filtered into technical positions from year to year. As Sir Arthur Salter has suggested, some one colony might be selected for an experiment in completely internationalized administration. Step by step, colonies would thus cease to serve as employment outlets for the ruling classes of certain favored powers.

From the economic standpoint, a world colonial "charter" should provide (1) for the equal entry of the goods of all countries into all colonial markets and (2) for equal access to raw materials, whether by direct purchase or by capital investment. The adoption of such an "open door" policy ought to go far toward meeting any legitimate complaints of the "Have-not" powers. In proportion as colonial administration became internationalized, a common currency system might be developed for all colonial territories. The establishment of such a currency should minimize whatever advantages now accrue to certain powers by reason of being able to pay for colonial commodities in their own national currencies.

The functions of a world mandates (or colonial) commission would need to be made much more extensive than those of the existing League Commission. Broadly speaking, the primary job of such a world agency would be to formulate and enforce minimum standards of colonial administration in the interest both of native peoples and the rest of the world. The principle of trusteeship, already exemplified in the Class B and C Mandates of the League and certain parts of the British, French, and Dutch empires, should be extended everywhere to population and land policy, industrial development, taxation, health, sanitation, education, and social welfare—in the nonselfgoverning areas. In order to assist in the development of particularly poor or backward regions, an intercolonial public utility corporation might be organized by the Mandates Commission to finance and supervise grants for such public works as hospitals, clinics, schools, and roads. Under such a colonial code the recruitment of native troops should be prohibited except for police purposes. Periodically, each mandatory government should be obliged to report in detail to the Mandates Commission on how its trust had been administered. Not only should the representative of the mandatory have to meet the criticism of the assembled experts of the Commission (at Geneva or elsewhere), but, equally important, the Commission should have the right to send its inspectorate to any colonial territory under its jurisdiction—a right not possessed by the present League Commission. Appropriate penalties of an economic character could be imposed against any mandatory power that neglected or refused to heed the Commission's instructions.

As a result of applying coöperative in place of competitive procedures, the colonial problem might ultimately be removed from the surcharged atmosphere of power politics. Considerations of prestige and military strategy would fade into the background and "backward" peoples would no longer be objects of exploitation and barter by imperialistic forces.

COLLECTIVE SECURITY AT THE WORLD LEVEL

If peace could be organized regionally in Western Europe; if, in turn, the colonial problem were adjusted as indicated in the preceding section; and if the inter-American coöperative system could be depended upon to assure peace in the Western Hemisphere, the territorial zone of future conflict would be greatly reduced. There would remain the possibility of clash between "the Russian bear" and Europe; between Russia and Japan for hegemony in the Orient; and between Japan and the British Commonwealth (*plus* Europe perhaps) for control of the rich resources of southern Asia, the East Indies, and more remotely, Australia and New Zealand. No

one, of course, can chart Soviet policy with any certainty. Internal upheavals may soon put an end to Stalinist aggression; on the other hand, the Soviet agglomeration may now be entering a long period of imperialistic expansion toward the Balkans, India, and southeastern Asia. Nor is it possible to forecast the course of Sino-Japanese relations. It must be recognized also that the federalization of Europe may itself be punctuated by recurring threats of war before it is consummated.

All of this is by way of observing that the importance of hastening "collective security" on a *world* scale must not be overlooked. Effective regional coöperation, in Europe and in the Americas, would undoubtedly remove the chief sources of international friction in the Occidental world, but, given the world-reaches of technology and economics, Euro-American civilization cannot immunize itself from the repercussions of widespread conflict in the Asiatic sector. Viewed in its simplest terms, the realization of interregional security depends upon the utilization of three kinds of power: (1) economic, (2) naval, and (3) air. Some workable scheme for mobilizing these three types of power as instruments of international law, operating in a "police" sense, is indispensable to the prevention, or at the very least, the localization, of organized violence. Essentially, the problem is not one of formulating a comprehensive definition of aggression. Concretely, it is one of finding a way to consolidate the tremendous power of the United States of America, the British Commonwealth, and a united Western Europe against potential aggressors.

In the light of the international history of the 1930's, we would appear to be justified in assuming that economic weapons, properly organized and expeditiously invoked, would ordinarily suffice as a deterrent to the illegal resort to force. The chief lesson to be drawn from the Ethiopian affair is not that economic sanctions are impracticable, but rather that they must include all the basic sinews of war—which was not done in the case of Italy. Secondly, it is obvious that "the efficacy of sanctions as a preventive of aggressive war or other international law-breaking depends upon the coöperation of all states, without serious exception, in enforcing them."¹³ Action, moreover, must be immediate and simultaneous. On account of the key importance of minerals in military operations, together with the impossibility of producing adequate substitutes for them, a complete and sustained embargo on minerals might, in most situations, be sufficient to prevent an aggressor power from attacking successfully another major power. Furthermore, the fact that mineral raw materials are so heavily concentrated within the United States and the British Empire would make the application of this kind of sanction a relatively easy matter, provided

¹³ *International Sanctions*, p. 210.

an acceptable basis for concerted action existed.¹⁴ Japan, certainly, would be peculiarly vulnerable to this kind of collective sanction; Russia, much less so.

The mineral sanction could be supplemented, as necessary, by the cutting off of other essential materials (such as textiles and foodstuffs), or by a credit embargo, or by a boycott on the purchase of the aggressor's exports (such as, for example, raw silk from Japan). To quote again from the Royal Institute's careful analysis of the problem: "The whole process of applying sanctions should be worked out in detail beforehand, the machinery set up and the necessary powers assumed by the governments by which action will have to be taken, where they do not already possess such powers. The process and the machinery are elaborate. The occasion to use sanctions may well arise suddenly; they cannot be improvised on the spur of the moment. Even if the occasion can be foreseen, the eve of its use is not an appropriate time for the devising of machinery."¹⁵ At the very least, to put the matter in concrete terms, the United States would have to be willing to associate itself, presumably on the basis of such instruments as the Pact of Paris or the Argentine Anti-War Convention, with the Geneva system, or whatever might succeed it. This would amount to an implementation of the outlawry-of-war principle in the sense that America would pledge itself to consult with the other signatories, and if general agreement on the fact of aggression could be reached, to join in whatever program of *economic* sanctions it was decided to impose in the circumstances. Without at least this limited participation by the world's greatest industrial power in a world security system, its efficacy would, indeed, be doubtful.

For their fullest effectiveness, economic sanctions might in certain circumstances have to be supplemented by naval or aerial action, or, at all events, by the known willingness of the sanctionist powers to use naval or air power, or both, against the aggressor state or states. Thus, for example, if a joint Anglo-Dutch-American embargo against Japan had been imposed in 1937, it might have been necessary to establish a long-range naval blockade—at Singapore, Hawaii, and Panama—in order to insure the enforcement of the embargo. Japan might in desperation have decided to retaliate

¹⁴ For a fuller discussion of this problem, see especially Sir Thomas H. Holland, *The Mineral Sanction as an Aid to International Security* (London, 1935), and C. K. Leith, *World Minerals and World Politics* (New York, 1931). According to press reports, a bold plan to prevent war by "cornering essential raw materials and withholding them from aggressor nations" was considered by the American government in the spring of 1939. When, however, it appeared that "the undertaking would require an economic partnership between the United States, Great Britain, and Soviet Russia and entail expenditures of about \$100,000,000 a month, the scheme was abandoned. *The New York Times*, 18 December 1939.

¹⁵ *Op. cit.*, p. 212.

with her own naval forces by striking at the interests of the sanctionist bloc in the Far East. In the case of League sanctions against Italy in 1935, most observers believe that the closing of the Mediterranean, at Gibraltar and Sucz, by a naval patrol, would have greatly aided in the strangulation of Italy, and therefore in the undermining of its will to fight, even though such action might possibly have caused Mussolini to risk everything by an air and submarine attack upon the Anglo-French fleet.

The pooling of sea power against an aggressor state should not involve difficult organizational problems. Naval action can be more easily apportioned geographically among coöperating states than can operations on land. The regional principle could easily be applied in the assignment of national naval contingents to blockade or other police duty. The United States, for instance, need not be called upon to engage in naval operations outside a predetermined zone—presumably the Americas and the Eastern Pacific area. This solution would also obviate the necessity of agreeing upon a unified naval command.

The use of air power for international police purposes involves more complex questions. Much has been written concerning the organization and administration of an international air police.¹⁶ Until and unless the Western Powers are willing to set up an international executive authority, on an *intercontinental* basis, with all that is implied therein, any such suggestion appears fantastic. Pending the advent of a world federal organization, international policing through the air is much more likely to be carried on a national quota and regional basis, despite the administrative drawbacks of such a cumbersome arrangement. The task of financing and organizing a truly international air force, of locating its headquarters and field bases, of determining the composition of its general staff and technical divisions, is too shot through with nationalistic considerations to constitute a feasible proposal at present. Some day, when the world is rationally ordered, aviation will doubtless operate as a unified communication system interconnecting all the continents. Air policing will then be but an incidental aspect of man's conquest of the clouds.

Finally, it goes without saying that, as the outlook for world peace improves, the effort to limit and reduce progressively naval (and air) armaments by multilateral agreement should be resumed. Contrary to popular belief, however, such disarmament will follow rather than precede the establishment and testing of a workable security system—regional, maritime, and intercontinental.

¹⁶ See, in particular, L. E. O. Charlton, *The Menace of the Clouds* (London, 1937); also the French proposals to the League Disarmament Commission, referred to in an earlier chapter (p. 595, *infra*).

ECONOMIC AND SOCIAL
PLANNING FOR PEACE

"Assuming no important wars and no important increase in population, the *economic problem* may be solved, or at least within sight of solution, within a hundred years. This means that the economic problem is not—if we look into the future—the permanent problem of the human race." Thus wrote a distinguished English economist a few years ago.¹⁷ With this view the present authors are in substantial agreement. If the menace of anarchic power politics could be removed, the world's economic difficulties should not be insoluble. At present, the world is economically sick primarily because its political system does not fit its technology. Yet, as Professor Staley observes, "the fact that the nation-state must be accepted as the main unit of economic policy, even on problems that are really world-wide, need not prevent constructive action."¹⁸ Indeed, every possibility of mitigating economic nationalism must be explored if there is to be progress toward a peaceful world order. In these troubled times economics has become a weapon of national power; it ought to be restored, as rapidly as possible, to its true status as an instrument of human welfare.

In approaching this task, it is well to remember that the existing economy of the civilized world is a decidedly "mixed" one—and may remain so indefinitely. There is a domain of private enterprise still strong, though declining, in such countries as the United States, France, and Britain, virtually nonexistent in Soviet Russian, and so regimented in Germany and Italy as to mean little. There is also a sector of intergovernmental operations and "state trading"—the converse of the foregoing situation, so far as the countries named are concerned. In the third place, a limited sphere of economic activity is regulated by various international authorities, public and quasi-public.¹⁹

Obviously, given such an intricate and dislocated world economy as we now have, with its vested interests and nationalistic rivalries, it is futile to hope soon for any integrated organization of economic life at the international level. As suggested repeatedly in earlier chapters, the evolution of international economic control does not appear to conform to any single pattern or technique. As far as one dares look into the future, its framework bids fair to be functional, disjointed, and at many points incomplete. Such is the nature of the process by which *The Economic Aspects of Sov-*

¹⁷ John Maynard Keynes, *Essays in Persuasion* (London, 1931), p. 365.

¹⁸ *World Economy in Transition*, p. 227. See also the Report on *International Economic Reconstruction*, by Paul van Zeeland, the text of which is reproduced in *International Conciliation*, No. 338 (March 1938).

¹⁹ *Ibid.*, pp. 231 ff.

ereignty are likely to be liquidated.²⁰ Within the spatial limitations of these final pages, it will be possible to call attention only briefly to a few of the possible "next steps." For convenience, these may be classified under three broad headings: (1) trade and raw materials, (2) money and investment, and (3) social welfare.

Trade and Raw Materials.—So far as international trade is concerned, the immediate need, obviously, is to clear away the jungle of restrictions that now choke the flow of goods and services over the world. Every effort should be made, by bilateral or by multilateral agreement, (1) to eliminate prohibitive customs duties, quotas, exchange controls, clearing and barter agreements, and (2) to generalize the principle of nondiscriminatory treatment on a "most-favored nation" basis. At present the reciprocal trade-agreement device, so effectively promoted by Secretary Hull, would seem to be the most practicable mode of attack on excessive trade barriers. While it is bilateral in form, its effect is partially multilateral. Once peace is re-established in Europe and the Far East and a sufficient degree of political confidence has returned, those creditor nations (chiefly the United States) not exhausted by the war will probably find it necessary to offer loans for reconstruction and social welfare purposes to the debtor countries, in return for their coöperation in restoring a more liberal trade régime. Concomitantly, *free* trade areas might be enlarged, wherever possible, by regional agreements (e.g., the Danube Valley and Scandinavia). It might even prove feasible to incorporate in a world-wide treaty "a code of fair commercial practices." In order to assist in the enforcement of such a code, as well as to conduct continuous research on trade problems and advise governments on tariff legislation, the establishment of a world commission on trade and commercial policy might be considered, or, alternatively, an extension of the Financial and Economic Intelligence Service of the League of Nations to the same end.

To be sure, such steps as these would still leave the world a long way from a régime of free competition in international commerce, but their aggregate effect would be to eliminate trade wars, expand the total volume of commerce, and thus reduce present inequalities in the distribution of national incomes. At the same time, a substantial portion of total trade content would doubtless continue to be governmentally controlled. This does not necessarily imply the existence of governmental trade monopolies

²⁰ See R. G. Hawtrey's excellent volume bearing this title (London, 1930) for a penetrating analysis of the general problem. In addition to Professor Staley's valuable contributions (previously cited), E. M. Patterson, *The Economic Bases of Peace* (New York, 1939) may be also recommended for further reading. For a cogent presentation of the laissez-faire point of view, see Lionel Robbins, *Economic Planning and International Order* (London, 1937).

of the Soviet type, but rather a variety of devices (e.g., public corporations) by which certain trading operations are regulated by the state.

In proportion as access to foreign markets was restored, access to raw materials would become wider. Nations now obliged to import large quantities of raw materials could secure the necessary foreign exchange for their purchase. In addition, the "open door" principle, as proposed for the new colonial régime, would be equally desirable for the home territories of sovereign states, since they constitute the main sources of the world's raw materials. Although comparatively few national monopolies of raw materials now exist, all states should agree, nonetheless, not to subject their raw materials to any export prohibition or restriction except as a part of an international regulation scheme. Nor should export duties be allowed except at uniform rates for all purchasers.²¹

While the difficulties of instituting any *direct* international control over the production and distribution of raw materials are at present insuperable, it should not be impossible for the international community to insist upon the rule that the interests of consumers normally be represented on all international price-control and marketing schemes entered into by producers and governments. It has been suggested, also, that a permanent international agency (board or commission) might be created to scrutinize and review the operations of international pools, cartels, trusts, holding companies, and the like. Such organizations and agreements might be compulsorily registered with this authority—in some such manner as the flotation of security issues is handled by the Securities and Exchange Commission at Washington, but with this difference, namely, that the proposed international commission would have to rely on the instruments of criticism and publicity as its sanctions.

A related aspect of the problem now being considered is how to conserve exhaustible world reserves of essential raw materials. A few international treaties, dealing with the sealing, fishing, and whale-oil industries have already been adopted with this in view. In one instance, an International Fisheries Commission was set up by the United States and Canada "to regulate the taking of halibut along the shores of the two countries." For exhaustible materials extracted from the earth, such as copper and tin, perhaps the only practicable device at present is that governments, whenever they participate in producers' agreements for the stabilization of

²¹ These latter recommendations are elaborated in the *League of Nations Report of the Committee for the Study of the Problem of Raw Materials* (Geneva, 1937), set up by the League in 1937—in the work of which both Germany and Italy, incidentally, declined to participate. See also B. B. Wallace and L. R. Edminster, *International Control of Raw Materials* (Washington, D. C., 1930), and J. C. de Wilde, "Raw Materials in World Politics," *Foreign Policy Reports*, 15 September 1936. °

prices, insist upon certain conservatory measures by way of compensation. This is admittedly a problem for which there is no simple solution.

Money and Investment.—Pending the remote establishment of a uniform world-wide currency system, "international monetary policy should aim at stability in the ratios of national money units to each other."²² Unless relative monetary stability can be attained, favorable conditions for production, employment, and trade need not be anticipated. At the present juncture, the chief practical approach to currency stability is through the voluntary coöperation of central banking mechanisms aided by the governments to which they are responsible. The Tripartite Monetary Agreement between the United States, Great Britain, and France, effected in September 1936, suggests the sort of coöperation that should be expanded and made continuous. Here again, however, as in the sphere of trade, monetary coöperation, with respect to the use of equalization funds, the decentralization of gold, discount rates, loans for public works, and the like, would be aided by a permanent world agency. The functions of the Bank for International Settlements, for example, might well be enlarged so as to serve as a clearing-house for international balances of payments, a stabilizer of exchange movements, and, perhaps, even as a supplementary source of capital for the financing of social development programs in backward regions.

A suggestive innovation in the international guidance of economic policy was the creation in 1938 of an International Public Works Committee. Originally proposed by the Governing Body of the I.L.O., this Committee has been given an autonomous status. Its membership consists of representatives of governments, employers, and workers, and its principal duty will be "to attempt to concert the policies of the members of the International Labor Organization in regard to the timing of public works with a view to ironing out cyclical industrial fluctuations."²³ The Committee is expected to prepare a uniform plan and revise it as occasion may require. Under peaceful conditions, such a body, although without executive power, may be able to encourage the coördinated planning of public works expenditure—simply by marshaling economic data and publicizing the conclusions to be drawn from them.

If economic well-being is to be improved on a world scale, the export of capital from lending to borrowing countries will have to be subjected to closer international supervision than has hitherto been the case. Such supervision might conceivably evolve from the activities of the League's financial and economic organization, or from an expanded Bank for Inter-

²² Staley, *World Economy in Transition*, p. 237.

²³ C. W. Jenks, "The Statute of the International Public Works Committee," *American Journal of International Law*, January 1939.

national Settlements, or both. Whatever the mechanism, it should represent both borrower and lender. Utilizing the permanent technical staffs at Geneva, it could assemble information on investment opportunities, report on the financial condition of borrowers, formulate model loan contracts, maintain a public register of loan agreements, try to settle disputes by impartial inquiry, and use the publicity weapon against defaulters. Some such international control as this is urgently needed to offset the current tendency toward the political manipulation of capital exports and imports by national governments. Insofar as possible, the migration of capital should be "de-nationalized."

Social Welfare.—There are many regions of the world, such as China, the Balkans, the Near and Middle East, and parts of South America, where long-time programs of economic development, under intelligent international auspices, would contribute greatly to their welfare, help to make them stable elements in the world's economy, and perhaps save them from imperialistic exploitation. The League of Nations program of technical cooperation with the Chinese government, inaugurated at the beginning of the 1930's, was making itself felt when the Japanese invasion disrupted the whole effort. On a less extensive scale the League, the I.L.O., and now the United States government, is lending technical specialists to some of the less advanced countries. There is no reason why the joint migration of capital and human skill should not be expedited still further—minus the traditional trappings of selfish imperialism.

One has only to glance at the monumental League report on nutrition to realize how far removed most of the world's population is from minimum dietary standards. Similar investigations made at Geneva on mortality, the incidence of disease, medical facilities, housing, and illiteracy reveal widespread conditions which inevitably sow the seeds of unrest and aid the warmonger. Here is a constant enemy for the organized "peace" forces of mankind to attack. As a beginning, the annual expenditure budget for international research, through such centers as Geneva and Washington, might at least be increased as much as the cost of a single modern battleship.

If progress toward prosperity and stability is to be achieved, there will be manifold problems with which an international administrative service must cope. Even though it may not now be feasible to establish world *political* organization, coöperation in the economic and social spheres will call for the expansion of the International Labor Office and the League's technical and advisory services—whatever may happen to the latter's political functions. Partly as a result of Secretary Hull's letter to the League's Secretary General, in February 1939, praising its economic and humani-

tarian activities, a special League committee recently recommended that the League's economic studies, health and refugee work, and campaigns against dangerous drugs and the white-slave traffic, be transferred from the Council's jurisdiction and placed under the direction of a quasi-autonomous central committee a fourth of whose members would be selected "on the grounds of their special competence and authority." The latter group would undoubtedly include one or more Americans. This central committee, moreover, would act by majority vote. It is to be hoped that this action portends the salvaging of Geneva as an international administrative center.²⁴

With respect to the policy-making procedures of such coöperative devices as are now emerging, one can envisage a variety of conferences and committees—some, perhaps, on the order of the I.L.O., holding periodical meetings; others, convening irregularly as informal groups; some with a very limited competence; others with a wider purview. Increasingly, the transnational interests of mankind are likely to be accorded representation on these bodies—in various ways—so that owners, investors, borrowers, managers, workers by hand and brain, consumers, and the leaders of education and science will have their appropriate spokesmen alongside the diplomats and administrative technicians. Thus, eventually, a "functional federalism" may superimpose itself upon a humanized nationalism.

Progress toward the goal of world peace and prosperity must not, as Elihu Root once warned, be measured "by the foot-rule of our short lives." Patience and tolerance, above all courage and social intelligence—these are the prerequisites for the battle of peace—a battle far more exacting than that fought on the military battlefield. There is no certainty that modern man, even with all his amazing knowledge and technical equipment, will solve the dilemma of war. If he fails, his horizon is indeed dark—a horizon over which the new barbarians—the Hitlers and Stalins of our present era—have already cast their ominous shadows. If he succeeds, the vista of civilization that will open before him should make the first four decades of this century seem, by comparison, like a horrible nightmare.

²⁴ For the time being, unfortunately, the drastic contraction of the League's budget, aggravated by the departure of Soviet Russia, has necessitated the dismissal of almost half of the League's permanent staff and nearly 50 of the I.L.O.'s 430 employees. When these dismissals become effective, the League will have left only 300 full-time employees, as compared with 725 in January 1933. Such are the ravages of the politics of crisis!

APPENDIX

THE COVENANT OF THE LEAGUE OF NATIONS

*With amendments in force*¹

THE HIGH CONTRACTING PARTIES,

In order to promote international cooperation and to achieve international peace and security

by the acceptance of obligations not to resort to war,

by the prescription of open, just and honorable relations between nations,

by the firm establishment of the understandings of international law as the actual rule of conduct among Governments, and

by the maintenance of justice and a scrupulous respect for all treaty obligations in the dealings of organized peoples with one another,

Agree to this Covenant of the League of Nations.

ARTICLE I

Membership and Withdrawal

1. The original Members of the League of Nations shall be those of the Signatories which are named in the Annex to this Covenant and also such of those other States named in the Annex as shall accede without reservation to this Covenant. Such accessions shall be effected by a Declaration deposited with the Secretariat within two months of the coming into force of the Covenant. Notice thereof shall be sent to all other Members of the League.

2. Any fully self-governing State, Dominion or Colony not named in the Annex may become a Member of the League if its admission is agreed to by two-thirds of the Assembly, provided that it shall give effective guaranties of its sincere intention to observe its international obligations, and shall accept such regulations as may be prescribed by the League in regard to its military, naval and air forces and armaments.

3. Any Member of the League may, after two years' notice of its intention so to do, withdraw from the League, provided that all its international obligations and all its obligations under this Covenant shall have been fulfilled at the time of its withdrawal.

ARTICLE 2

Executive Organs

The action of the League under this Covenant shall be effected through the instrumentality of an Assembly and of a Council, with a permanent Secretariat.

¹ Amendments to Covenant which have come into force in accordance with Article 26 are printed in italics. Amendments approved by Assembly but not yet ratified by Member States are not included in this text.

ARTICLE 3

Assembly

1. The Assembly shall consist of Representatives of the Members of the League.

2. The Assembly shall meet at stated intervals and from time to time as occasion may require at the Seat of the League, or at such other place as may be decided upon.

3. The Assembly may deal at its meetings with any matter within the sphere of action of the League or affecting the peace of the world.

4. At meetings of the Assembly each Member of the League shall have one vote and may have not more than three Representatives.

ARTICLE 4

Council

1. The Council shall consist of Representatives of the Principal Allied and Associated Powers [United States of America, the British Empire, France, Italy and Japan ²], together with Representatives of four other Members of the League. These four Members of the League shall be selected by the Assembly from time to time in its discretion. Until the appointment of the Representatives of the four Members of the League first selected by the Assembly, Representatives of Belgium, Brazil, Spain and Greece shall be Members of the Council.

2. With the approval of the majority of the Assembly, the Council may name additional Members of the League, whose Representatives shall always be Members of the Council; the Council with like approval may increase the number of Members of the League to be selected by the Assembly for representation on the Council.³

2. *bis.* *The Assembly shall fix by a two-thirds majority the rules dealing with the election of the non-permanent Members of the Council, and particularly such regulations as relate to their term of office and the conditions of re-eligibility.*

3. The Council shall meet from time to time as occasion may require, and at least once a year, at the Seat of the League, or at such other place as may be decided upon.

4. The Council may deal at its meetings with any matter within the sphere of action of the League or affecting the peace of the world.

5. Any Member of the League not represented on the Council shall be invited to send a Representative to sit as a member at any meeting of the Council during the consideration of matters specially affecting the interests of that Member of the League.

6. At meetings of the Council, each Member of the League represented on the Council shall have one vote, and may have not more than one Representative.

² The permanent members of the Council are now the British Empire and France.

³ The number is now 11.

ARTICLE 5

Voting and Procedure

1. Except where otherwise expressly provided in this Covenant or by the terms of the present Treaty, decisions at any meeting of the Assembly or of the Council shall require the agreement of all the Members of the League represented at the meeting.

2. All matters of procedure at meetings of the Assembly or of the Council including the appointment of Committees to investigate particular matters, shall be regulated by the Assembly or by the Council and may be decided by a majority of the Members of the League represented at the meeting.

3. The first meeting of the Assembly and the first meeting of the Council shall be summoned by the President of the United States of America.

ARTICLE 6

Secretariat and Expenses

1. The permanent Secretariat shall be established at the Seat of the League. The Secretariat shall comprise a Secretary-General and such secretaries and staff as may be required.

2. The first Secretary-General shall be the person named in the Annex; thereafter the Secretary-General shall be appointed by the Council with the approval of the majority of the Assembly.

3. The secretaries and the staff of the Secretariat shall be appointed by the Secretary-General with the approval of the Council.

4. The Secretary-General shall act in that capacity at all meetings of the Assembly and of the Council.

5. *The expenses of the League shall be borne by the Members of the League in the proportion decided by the Assembly.*

ARTICLE 7

Seat, Qualifications of Officials, Immunities

1. The Seat of the League is established at Geneva.

2. The Council may at any time decide that the Seat of the League shall be established elsewhere.

3. All positions under or in connection with the League, including the Secretariat, shall be open equally to men and women.

4. Representatives of the Members of the League and officials of the League when engaged on the business of the League shall enjoy diplomatic privileges and immunities.

5. The buildings and other property occupied by the League or its officials or by Representatives attending its meetings shall be inviolable.

ARTICLE 8

Reduction of Armaments

1. The Members of the League recognise that the maintenance of peace requires the reduction of national armaments to the lowest point consistent with national safety and the enforcement by common action of international obligations.

2. The Council, taking account of the geographical situation and circumstances of each State, shall formulate plans for such reduction for the consideration and action of the several Governments.

3. Such plans shall be subject to reconsideration and revision at least every 10 years.

4. After these plans shall have been adopted by the several Governments, the limits of armaments therein fixed shall not be exceeded without the concurrence of the Council.

5. The Members of the League agree that the manufacture by private enterprise of munitions and implements of war is open to grave objections. The Council shall advise how the evil effects attendant upon such manufacture can be prevented, due regard being had to the necessities of those Members of the League which are not able to manufacture the munitions and implements of war necessary for their safety.

6. The Members of the League undertake to interchange full and frank information as to the scale of their armaments, their military, naval and air programs, and the condition of such of their industries as are adaptable to war-like purposes.

ARTICLE 9

Permanent Military, Naval and Air Commission

A permanent Commission shall be constituted to advise the Council on the execution of the provisions of Articles 1 and 8 and on military, naval and air questions generally.

ARTICLE 10

Guaranties Against Aggression

The Members of the League undertake to respect and preserve as against external aggression the territorial integrity and existing political independence of all Members of the League. In case of any such aggression or in case of any threat or danger of such aggression the Council shall advise upon the means by which this obligation shall be fulfilled.

ARTICLE 11

Action in Case of War or Threat of War

1. Any war or threat of war, whether immediately affecting any of the Members of the League or not, is hereby declared a matter of concern to the whole League, and the League shall take any action that may be deemed wise

and effectual to safeguard the peace of nations. In case any such emergency should arise the Secretary-General shall on the request of any Member of the League forthwith summon a meeting of the Council.

2. It is also declared to be the friendly right of each Member of the League to bring to the attention of the Assembly or of the Council any circumstance whatever affecting international relations which threatens to disturb international peace or the good understanding between nations upon which peace depends.

ARTICLE 12

Disputes to Be Submitted for Settlement

1. The Members of the League agree that, if there should arise between them any dispute likely to lead to a rupture, they will submit the matter either to arbitration *or judicial settlement* or to inquiry by the Council, and they agree in no case to resort to war until three months after the award by the arbitrators *or the judicial decision* or the report by the Council.

2. In any case under this Article the award of the arbitrators *or the judicial decision* shall be made within a reasonable time, and the report of the Council shall be made within six months after the submission of the dispute.

ARTICLE 13

Arbitration or Judicial Settlement

1. The Members of the League agree that, whenever any dispute shall arise between them which they recognize to be suitable for submission to arbitration *or judicial settlement*, and which can not be satisfactorily settled by diplomacy, they will submit the whole subject matter to arbitration *or judicial settlement*.

2. Disputes as to the interpretation of a treaty, as to any question of international law, as to the existence of any fact which if established would constitute a breach of any international obligation, or as to the extent and nature of the reparation to be made for any such breach, are declared to be among those which are generally suitable for submission to arbitration *or judicial settlement*.

3. *For the consideration of any such dispute, the court to which the case is referred shall be the Permanent Court of International Justice, established in accordance with Article 14, or any tribunal agreed on by the parties to the dispute or stipulated in any convention existing between them.*

4. The Members of the League agree that they will carry out in full good faith any award *or decision* that may be rendered, and that they will not resort to war against a Member of the League which complies therewith. In the event of any failure to carry out such an award *or decision*, the Council shall propose what steps should be taken to give effect thereto.

ARTICLE 14

Permanent Court of International Justice

The Council shall formulate and submit to the Members of the League for adoption plans for the establishment of a Permanent Court of International

Justice. The Court shall be competent to hear and determine any dispute of an international character which the parties thereto submit to it. The Court may also give an advisory opinion upon any dispute or question referred to it by the Council or by the Assembly.

ARTICLE 15

Disputes Not Submitted to Arbitration or Judicial Settlement

1. If there should arise between Members of the League any dispute likely to lead to a rupture, which is not submitted to arbitration or *judicial settlement* in accordance with Article 13, the Members of the League agree that they will submit the matter to the Council. Any party to the dispute may effect such submission by giving notice of the existence of the dispute to the Secretary-General, who will make all necessary arrangements for a full investigation and consideration thereof.

2. For this purpose the parties to the dispute will communicate to the Secretary-General, as promptly as possible, statements of their case with all the relevant facts and papers, and the Council may forthwith direct the publication thereof.

3. The Council shall endeavor to effect a settlement of the dispute, and, if such efforts are successful, a statement shall be made public giving such facts and explanations regarding the dispute and the terms of settlement thereof as the Council may deem appropriate.

4. If the dispute is not thus settled, the Council either unanimously or by a majority vote shall make and publish a report containing a statement of the facts of the dispute and the recommendations which are deemed just and proper in regard thereto.

5. Any Member of the League represented on the Council may make public a statement of the facts of the dispute and of its conclusions regarding the same.

6. If a report by the Council is unanimously agreed to by the Members thereof other than the Representatives of one or more of the parties to the dispute, the Members of the League agree that they will not go to war with any party to the dispute which complies with the recommendations of the report.

7. If the Council fails to reach a report which is unanimously agreed to by the members thereof, other than the Representatives of one or more of the parties to the dispute, the Members of the League reserve to themselves the right to take such action as they shall consider necessary for the maintenance of right and justice.

8. If the dispute between the parties is claimed by one of them, and is found by the Council, to arise out of a matter which by international law is solely within the domestic jurisdiction of that party, the Council shall so report, and shall make no recommendation as to its settlement.

9. The Council may in any case under this Article refer the dispute to the Assembly. The dispute shall be so referred at the request of either party to the dispute provided that such request be made within 14 days after the submission of the dispute to the Council.

10. In any case referred to the Assembly, all the provisions of this Article and of Article 12 relating to the action and powers of the Council shall apply to the action and powers of the Assembly, provided that a report made by the Assembly, if concurred in by the Representatives of those Members of the League represented on the Council and of a majority of the other Members of the League, exclusive in each case of the Representatives of the parties to the dispute, shall have the same force as a report by the Council concurred in by all the members thereof other than the Representatives of one or more of the parties to the dispute.

ARTICLE 16

Sanctions of Pacific Settlement

1. Should any Member of the League resort to war in disregard of its covenants under Articles 12, 13 or 15, it shall *ipso facto* be deemed to have committed an act of war against all other Members of the League, which hereby undertake immediately to subject it to the severance of all trade or financial relations, the prohibition of all intercourse between their nationals and the nationals of the covenant-breaking State, and the prevention of all financial, commercial or personal intercourse between the nationals of the covenant-breaking State and the nationals of any other State, whether a Member of the League or not.

2. It shall be the duty of the Council in such case to recommend to the several Governments concerned what effective military, naval or air force the Members of the League shall severally contribute to the armed forces to be used to protect the covenants of the League.

3. The Members of the League agree, further, that they will mutually support one another in the financial and economic measures which are taken under this Article, in order to minimize the loss and inconvenience resulting from the above measures, and that they will mutually support one another in resisting any special measures aimed at one of their number by the covenant-breaking State, and that they will take the necessary steps to afford passage through their territory to the forces of any of the Members of the League which are cooperating to protect the covenants of the League.

4. Any Member of the League which has violated any covenant, of the League may be declared to be no longer a Member of the League by a vote of the Council concurred in by the Representatives of all the other Members of the League represented thereon.

ARTICLE 17

Disputes Involving Non-Members

1. In the event of a dispute between a Member of the League and a State which is not a Member of the League, or between States not Members of the League, the State or States not Members of the League shall be invited to accept the obligations of membership in the League for the purposes of such dispute, upon such conditions as the Council may deem just. If such invitation is

accepted, the provisions of Articles 12 to 16 inclusive shall be applied with such modifications as may be deemed necessary by the Council.

2. Upon such invitation being given the Council shall immediately institute an inquiry into the circumstances of the dispute and recommend such action as may seem best and most effectual in the circumstances.

3. If a State so invited shall refuse to accept the obligations of membership in the League for the purposes of such dispute, and shall resort to war against a Member of the League, the provisions of Article 16 shall be applicable as against the State taking such action.

4. If both parties to the dispute when so invited refuse to accept the obligations of membership in the League for the purposes of such dispute, the Council may take such measures and make such recommendations as will prevent hostilities and will result in the settlement of the dispute.

ARTICLE 18

Registration and Publication of Treaties

Every treaty or international engagement entered into hereafter by any Member of the League shall be forthwith registered with the Secretariat and shall as soon as possible be published by it. No such treaty or international engagement shall be binding until so registered.

ARTICLE 19

Review of Treaties

The Assembly may from time to time advise the reconsideration by Members of the League of treaties which have become inapplicable and the consideration of international conditions whose continuance might endanger the peace of the world.

ARTICLE 20

Abrogation of Inconsistent Obligations

1. The Members of the League severally agree that this Covenant is accepted as abrogating all obligations or understandings *inter se* which are inconsistent with the terms thereof, and solemnly undertake that they will not hereafter enter into any engagements inconsistent with the terms thereof.

2. In case any Member of the League shall, before becoming a Member of the League, have undertaken any obligations inconsistent with the terms of this Covenant, it shall be the duty of such Member to take immediate steps to procure its release from such obligations.

ARTICLE 21

Engagements that Remain Valid

Nothing in this Covenant shall be deemed to affect the validity of international engagements, such as treaties of arbitration or regional understandings like the Monroe doctrine, for securing the maintenance of peace.

ARTICLE 22

Mandatory System

1. To those colonies and territories which as a consequence of the late war have ceased to be under the sovereignty of the States which formerly governed them and which are inhabited by peoples not yet able to stand by themselves under the strenuous conditions of the modern world, there should be applied the principle that the well-being and development of such peoples form a sacred trust of civilization and that securities for the performance of this trust should be embodied in this Covenant.

2. The best method of giving practical effect to this principle is that the tutelage of such peoples should be intrusted to advanced nations who by reason of their resources, their experience or their geographical position can best undertake this responsibility, and who are willing to accept it, and that this tutelage should be exercised by them as Mandatories on behalf of the League.

3. The character of the mandate must differ according to the stage of the development of the people, the geographical situation of the territory, its economic conditions and other similar circumstances.

4. Certain communities formerly belonging to the Turkish Empire have reached a stage of development where their existence as independent nations can be provisionally recognized subject to the rendering of administrative advice and assistance by a Mandatory until such time as they are able to stand alone. The wishes of these communities must be a principal consideration in the selection of the Mandatory.

5. Other peoples, especially those of Central Africa, are at such a stage that the Mandatory must be responsible for the administration of the territory under conditions which will guarantee freedom of conscience and religion, subject only to the maintenance of public order and morals, the prohibition of abuses such as the slave trade, the arms traffic and the liquor traffic, and the prevention of the establishment of fortifications or military and naval bases and of military training of the natives for other than police purposes and the defense of territory, and will also secure equal opportunities for the trade and commerce of other Members of the League.

6. There are territories, such as Southwest Africa and certain of the South Pacific islands, which, owing to the sparseness of their population, or their small size, or their remoteness from the centers of civilization, or their geographical contiguity to the territory of the Mandatory, and other circumstances, can be best administered under the laws of the Mandatory as integral portions of its territory, subject to the safeguards above mentioned in the interests of the indigenous population.

7. In every case of mandate, the Mandatory shall render to the Council an annual report in reference to the territory committed to its charge.

8. The degree of authority, control, or administration to be exercised by the Mandatory shall, if not previously agreed upon by the Members of the League, be explicitly defined in each case by the Council.

9. A permanent Commission shall be constituted to receive and examine the annual reports of the Mandatories and to advise the Council on all matters relating to the observance of the mandates.

ARTICLE 23

Social and Other Activities

Subject to and in accordance with the provisions of international conventions existing or hereafter to be agreed upon, the Members of the League:

- (a) will endeavor to secure and maintain fair and humane conditions of labor for men, women, and children, both in their own countries and in all countries to which their commercial and industrial relations extend, and for that purpose will establish and maintain the necessary international organizations;
- (b) undertake to secure just treatment of the native inhabitants of territories under their control;
- (c) will intrust the League with the general supervision over the execution of agreements with regard to the traffic in women and children, and the traffic in opium and other dangerous drugs;
- (d) will intrust the League with the general supervision of the trade in arms and ammunition with the countries in which the control of this traffic is necessary in the common interest;
- (e) will make provision to secure and maintain freedom of communications and of transit and equitable treatment for the commerce of all Members of the League. In this connection, the special necessities of the regions devastated during the war of 1914-1918 shall be borne in mind;
- (f) will endeavor to take steps in matters of international concern for the prevention and control of disease.

ARTICLE 24

International Bureaus

1. There shall be placed under the direction of the League all international bureaus already established by general treaties if the parties to such treaties consent. All such international bureaus and all commissions for the regulation of matters of international interest hereafter constituted shall be placed under the direction of the League.

2. In all matters of international interest which are regulated by general conventions but which are not placed under the control of international bureaus or commissions, the Secretariat of the League shall, subject to the consent of the Council and if desired by the parties, collect and distribute all relevant information and shall render any other assistance which may be necessary or desirable.

3. The Council may include as part of the expenses of the Secretariat the expenses of any bureau or commission which is placed under the direction of the League.

ARTICLE 25

Promotion of Red Cross and Health

The Members of the League agree to encourage and promote the establishment and cooperation of duly authorized voluntary national Red Cross organizations having as purposes the improvement of health, the prevention of disease and the mitigation of suffering throughout the world.

ARTICLE 26

Amendments

1. Amendments to this Covenant will take effect when ratified by the Members of the League whose Representatives compose the Council and by a majority of the Members of the League whose Representatives compose the Assembly.

2. No such amendment shall bind any Member of the League which signifies its dissent therefrom, but in that case it shall cease to be a Member of the League.

THE CONSTITUTION OF THE
INTERNATIONAL LABOUR ORGANISATION

SECTION I

ORGANISATION OF LABOUR

WHEREAS the League of Nations has for its object the establishment of universal peace, and such a peace can be established only if it is based upon social justice;

And whereas conditions of labour exist involving such injustice, hardship and privation to large numbers of people as to produce unrest so great that the peace and harmony of the world are imperilled; and an improvement of those conditions is urgently required: as, for example, by the regulation of the hours of work, including the establishment of a maximum working day and week, the regulation of the labour supply, the prevention of unemployment, the provision of an adequate living wage, the protection of the worker against sickness, disease and injury arising out of his employment, the protection of children, young persons and women, provision for old age and injury, protection of the interests of workers when employed in countries other than their own, recognition of the principle of freedom of association, the organisation of vocational and technical education and other measures;

Whereas also the failure of any nation to adopt humane conditions of labour is an obstacle in the way of other nations which desire to improve the conditions in their own countries;

The High Contracting Parties, moved by sentiments of justice and humanity as well as by the desire to secure the permanent peace of the world, agree to the following:

CHAPTER I

Organisation

ARTICLE 387

A permanent organisation is hereby established for the promotion of the objects set forth in the Preamble.

The original Members of the League of Nations shall be the original Members of this organisation, and hereafter membership of the League of Nations shall carry with it membership of the said organisation.

ARTICLE 388

The permanent organisation shall consist of:

1. A General Conference of Representatives of the Members and
2. An International Labour Office controlled by the Governing Body described in Article 393.

ARTICLE 389

The meetings of the General Conference of Representatives of the Members shall be held from time to time as occasion may require, and at least once in every year. It shall be composed of four Representatives of each of the Members, of whom two shall be Government Delegates and the two others shall be Delegates representing respectively the employers and the workpeople of each of the Members.

Each Delegate may be accompanied by advisers, who shall not exceed two in number for each item on the agenda of the meeting. When questions specially affecting women are to be considered by the Conference, one at least of the advisers should be a woman.

The Members undertake to nominate non-Government Delegates and advisers chosen in agreement with the industrial organisations, if such organisations exist, which are the most representative of the employers or workpeople, as the case may be, in their respective countries.

Advisers shall not speak except on a request made by the Delegate whom they accompany and by the special authorisation of the President of the Conference, and may not vote.

A Delegate may by notice in writing addressed to the President appoint one of his advisers to act as his deputy, and the adviser, while so acting, shall be allowed to speak and vote.

The names of the Delegates and their advisers will be communicated to the International Labour Office by the Government of each of the Members.

The credentials of Delegates and their advisers shall be subject to scrutiny by the Conference, which may, by two-thirds of the votes cast by the Delegates present, refuse to admit any Delegate or adviser whom it deems not to have been nominated in accordance with this Article.

ARTICLE 390

Every Delegate shall be entitled to vote individually on all matters which are taken into consideration by the Conference.

If one of the Members fails to nominate one of the non-Government Delegates whom it is entitled to nominate, the other non-Government Delegate shall be allowed to sit and speak at the Conference, but not to vote.

If in accordance with Article 389 the Conference refuses admission to a Delegate of one of the Members, the provisions of the present Article shall apply as if that Delegate had not been nominated.

ARTICLE 391

The meetings of the Conference shall be held at the seat of the League of Nations, or at such other place as may be decided by the Conference at a previous meeting by two-thirds of the votes cast by the Delegates present.

ARTICLE 392

The International Labour Office shall be established at the seat of the League of Nations as part of the organisation of the League.

ARTICLE 393

The International Labour Office shall be under the control of a Governing Body consisting of twenty-four persons, appointed in accordance with the following provisions:

The Governing Body of the International Labour Office shall be constituted as follows:

Twelve persons representing the Governments;

Six persons elected by the Delegates to the Conference representing the employers;

Six persons elected by the Delegates to the Conference representing the workers.

Of the twelve persons representing the Governments eight shall be nominated by the Members which are of the chief industrial importance, and four shall be nominated by the Members selected for the purpose by the Government Delegates to the Conference, excluding the Delegates of the eight Members mentioned above.

Any question as to which are the Members of the chief industrial importance shall be decided by the Council of the League of Nations.

The period of office of the members of the Governing Body will be three years. The method of filling vacancies and other similar questions may be determined by the Governing Body subject to the approval of the Conference.

The Governing Body shall, from time to time, elect one of its members to act as its Chairman, shall regulate its own procedure and shall fix its own times of meeting. A special meeting shall be held if a written request to that effect is made by at least ten members of the Governing Body.

ARTICLE 394

There shall be a Director of the International Labour Office, who shall be appointed by the Governing Body, and, subject to the instructions of the Governing Body, shall be responsible for the efficient conduct of the International Labour Office and for such other duties as may be assigned to him.

The Director or his deputy shall attend all meetings of the Governing Body.

ARTICLE 395

The staff of the International Labour Office shall be appointed by the Director, who shall, so far as is possible with due regard to the efficiency of the work of the Office, select persons of different nationalities. A certain number of these persons shall be women.

ARTICLE 396

The functions of the International Labour Office shall include the collection and distribution of information on all subjects relating to the international adjustment of conditions of industrial life and labour, and particularly the examination of subjects which it is proposed to bring before the Conference with a view to the conclusion of international conventions, and the conduct of such special investigations as may be ordered by the Conference.

It will prepare the agenda for the meetings of the Conference.

It will carry out the duties required of it by the provisions of this Part of the present Treaty in connection with international disputes.

It will edit and publish in French and English, and in such other languages as the Governing Body may think desirable, a periodical paper dealing with problems of industry and employment of international interest.

Generally, in addition to the functions set out in this Article, it shall have such other powers and duties as may be assigned to it by the Conference.

ARTICLE 397

The Government Departments of any of the Members which deal with questions of industry and employment may communicate directly with the Director through the Representative of their Government on the Governing Body of the International Labour Office, or failing any such Representative, through such other qualified official as the Government may nominate for the purpose.

ARTICLE 398

The International Labour Office shall be entitled to the assistance of the Secretary-General of the League of Nations in any matter in which it can be given.

ARTICLE 399

Each of the Members will pay the travelling and subsistence expenses of its Delegates and their advisers and of its Representatives attending the meetings of the Conference or Governing Body as the case may be.

All the other expenses of the International Labour Office and of the meetings of the Conference or Governing Body shall be paid to the Director by the Secretary-General of the League of Nations out of the general funds of the League.

The Director shall be responsible to the Secretary-General of the League for the proper expenditure of all moneys paid to him in pursuance of this Article.

CHAPTER II

Procedure

ARTICLE 400

The agenda for all meetings of the Conference will be settled by the Governing Body, who shall consider any suggestion as to the agenda that may be made by the Government of any of the Members or by any representative organisation recognized for the purpose of Article 389.

ARTICLE 401

The Director shall act as the Secretary of the Conference, and shall transmit the agenda so as to reach the Members four months before the meeting of the Conference, and, through them, the non-Government Delegates when appointed.

ARTICLE 402

Any of the Governments of the Members may formally object to the inclusion of any item or items in the agenda. The grounds for such objection shall be set forth in a reasoned statement addressed to the Director, who shall circulate it to all the Members of the Permanent Organisation.

Items to which such objection has been made shall not, however, be excluded from the agenda, if at the Conference a majority of two-thirds of the votes cast by the Delegates present is in favour of considering them.

If the Conference decides (otherwise than under the preceding paragraph) by two-thirds of the votes cast by the Delegates present that any subject shall be considered by the Conference, that subject shall be included in the agenda for the following meeting.

ARTICLE 403

The Conference shall regulate its own procedure, shall elect its own President, and may appoint committees to consider and report on any matter.

Except as otherwise expressly provided in this Part of the present Treaty, all members shall be decided by a simple majority of the votes cast by the Delegates present.

The voting is void unless the total number of votes cast is equal to half the number of the Delegates attending the Conference.

ARTICLE 404

The Conference may add to any committees which it appoints technical experts, who shall be assessors without power to vote.

ARTICLE 405

When the Conference has decided on the adoption of proposals with regard to an item in the agenda, it will rest with the Conference to determine whether these proposals should take the form: (a) of a recommendation to be submitted to the Members for consideration with a view to effect being given to it by national legislation or otherwise, or (b) of a draft international convention for ratification by the Members.

In either case a majority of two-thirds of the votes cast by the Delegates present shall be necessary on the final vote for the adoption of the recommendation or draft convention, as the case may be, by the Conference.

In framing any recommendation or draft convention of general application the Conference shall have due regard to those countries in which climatic conditions, the imperfect development of industrial organisation, or other special circumstances make the industrial conditions substantially different and shall suggest the modifications, if any, which it considers may be required to meet the case of such countries.

A copy of the recommendation or draft convention shall be authenticated by the signature of the President of the Conference and of the Director and shall be deposited with the Secretary-General of the League of Nations. The Secretary-General will communicate a certified copy of the recommendation or draft convention to each of the Members.

Each of the Members undertakes that it will, within the period of one year at most from the closing of the session of the Conference, or if it is impossible owing to exceptional circumstances to do so within the period of one year, then at the earliest practicable moment and in no case later than eighteen months from the closing of the session of the Conference, bring the recommendation or draft convention before the authority or authorities within whose competence the matter lies, for the enactment of legislation or other action.

In the case of a recommendation, the Members will inform the Secretary-General of the action taken.

In the case of a draft convention, the Member will, if it obtains the consent of the authority or authorities within whose competence the matter lies, communicate the formal ratification of the convention to the Secretary-General and will take such action as may be necessary to make effective the provisions of such convention.

If on a recommendation no legislative or other action is taken to make the recommendation effective, or if the draft convention fails to obtain the consent of the authority or authorities within whose competence the matter lies, no further obligation shall rest upon the Member.

In the case of a federal State, the power of which to enter into conventions on labour matters is subject to limitations, it shall be in the discretion of that

Government to treat a draft convention to which such limitations apply as a recommendation only, and the provisions of this Article with respect to recommendations shall apply in such case.

The above Article shall be interpreted in accordance with the following principle:

In no case shall any Member be asked or required, as a result of the adoption of any recommendation or draft convention by the Conference, to lessen the protection afforded by its existing legislation to the workers concerned.

ARTICLE 406

Any convention so ratified shall be registered by the Secretary-General of the League of Nations, but shall only be binding upon the Members which ratify it.

ARTICLE 407

If any convention coming before the Conference for final consideration fails to secure the support of two-thirds of the votes cast by the Delegates present, it shall nevertheless be within the right of any of the Members of the Permanent Organisation to agree to such convention among themselves.

Any convention so agreed to shall be communicated by the Governments concerned to the Secretary-General of the League of Nations, who shall register it.

ARTICLE 408

Each of the Members agrees to make an annual report to the International Labour Office on the measures which it has taken to give effect to the provisions of conventions to which it is a party. These reports shall be made in such form and shall contain such particulars as the Governing Body may request. The Director shall lay a summary of these reports before the next meeting of the Conference.

ARTICLE 409

In the event of any representation being made to the International Labour Office by an industrial association of employers or of workers that any of the Members has failed to secure in any respect the effective observance within its jurisdiction of any convention to which it is a party, the Governing Body may communicate this representation to the Government against which it is made, and may invite that Government to make such statement on the subject as it may think fit.

ARTICLE 410

If no statement is received within a reasonable time from the Government in question, or if the statement when received is not deemed to be satisfactory by the Governing Body, the latter shall have the right to publish the representation and the statement, if any, made in reply to it.

ARTICLE 411

Any of the Members shall have the right to file a complaint with the International Labour Office if it is not satisfied that any other Member is securing

the effective observance of any convention which both have ratified in accordance with the foregoing Articles.

The Governing Body may, if it thinks fit, before referring such a complaint to a Commission of Enquiry, as hereinafter provided for, communicate with the Government in question in the manner described in Article 409.

If the Governing Body does not think it necessary to communicate the complaint to the Government in question, or if, when they have made such communication, no statement in reply has been received within a reasonable time which the Governing Body considers to be satisfactory, the Governing Body may apply for the appointment of a Commission of Enquiry to consider the complaint and to report thereon.

The Governing Body may adopt the same procedure either of its own motion or on receipt of a complaint from a Delegate to the Conference.

When any matter arising out of Articles 410 or 411 is being considered by the Governing Body, the Government in question shall, if not already represented thereon, be entitled to send a representative to take part in the proceedings of the Governing Body while the matter is under consideration. Adequate notice of the date on which the matter will be considered shall be given to the Government in question.

ARTICLE 412

The Commission of Enquiry shall be constituted in accordance with the following provisions:

Each of the Members agrees to nominate within six months of the date on which the present Treaty comes into force three persons of industrial experience, of whom one shall be a representative of employers, one a representative of workers, and one a person of independent standing, who shall together form a panel from which the Members of the Commission of Enquiry shall be drawn.

The qualifications of the persons so nominated shall be subject to scrutiny by the Governing Body, which may by two-thirds of the votes cast by the representatives present refuse to accept the nomination of any person whose qualifications do not in its opinion comply with the requirements of the present Article.

Upon the application of the Governing Body, the Secretary-General of the League of Nations shall nominate three persons, one from each section of this panel, to constitute the Commission of Enquiry, and shall designate one of them as the President of the Commission. None of these three persons shall be a person nominated to the panel by any Member directly concerned in the complaint.

ARTICLE 413

The Members agree that, in the event of the reference of a complaint to a Commission of Enquiry under Article 411, they will each, whether directly concerned in the complaint or not, place at the disposal of the Commission all the information in their possession which bears upon the subject-matter of the complaint.

ARTICLE 414

When the Commission of Enquiry has fully considered the complaint, it shall prepare a report embodying its findings on all questions of fact relevant to determining the issue between the parties and containing such recommendations as it may think proper as to the steps which should be taken to meet the complaint and the time within which they should be taken.

It shall also indicate in this report the measures, if any, of an economic character against a defaulting Government which it considers to be appropriate, and which it considers other Governments would be justified in adopting.

ARTICLE 415

The Secretary-General of the League of Nations shall communicate the report of the Commission of Enquiry to each of the Governments concerned in the complaint, and shall cause it to be published.

Each of these Governments shall within one month inform the Secretary-General of the League of Nations whether or not it accepts the recommendations contained in the report of the Commission; and if not, whether it proposes to refer the complaint to the Permanent Court of International Justice of the League of Nations.

ARTICLE 416

In the event of any Member failing to take the action required by Article 405, with regard to a recommendation or draft convention, any other Member shall be entitled to refer the matter to the Permanent Court of International Justice.

ARTICLE 417

The decision of the Permanent Court of International Justice in regard to a complaint or matter which has been referred to it in pursuance of Article 415 or Article 416 shall be final.

ARTICLE 418

The Permanent Court of International Justice may affirm, vary or reverse any of the findings or recommendations of the Commission of Enquiry, if any, and shall in its decision indicate the measures, if any, of an economic character which it considers to be appropriate, and which other Governments would be justified in adopting against a defaulting Government.

ARTICLE 419

In the event of any Member failing to carry out within the time specified the recommendations, if any, contained in the report of the Commission of Enquiry, or in the decision of the Permanent Court of International Justice, as the case may be, any other Member may take against that Member the measures of an economic character indicated in the report of the Commission or in the decision of the Court as appropriate to the case.

ARTICLE 420

The defaulting Government may at any time inform the Governing Body that it has taken the steps necessary to comply with the recommendations of the Commission of Enquiry or with those in the decision of the Permanent Court of International Justice, as the case may be, and may request it to apply to the Secretary-General of the League to constitute a Commission of Enquiry to verify its contention. In this case the provisions of Articles 412, 413, 414, 415, 417, and 418 shall apply, and if the report of the Commission of Enquiry or the decision of the Permanent Court of International Justice is in favour of the defaulting Government, the other Governments shall forthwith discontinue the measure of an economic character that they have taken against the defaulting Government.

CHAPTER III

General

ARTICLE 421

The Members engage to apply conventions which they have ratified in accordance with the provisions of this Part of the present Treaty to their colonies, protectorates and possessions which are not fully self-governing:

(1) Except where owing to the local conditions the convention is inapplicable, or

(2) Subject to such modifications as may be necessary to adapt the convention to local conditions.

And each of the Members shall notify to the International Labour Office the action taken in respect of each of its colonies, protectorates and possessions which are not fully self-governing.

ARTICLE 422

Amendments to this Part of the present Treaty which are adopted by the Conference by a majority of two-thirds of the votes cast by the Delegates present shall take effect when ratified by the States whose representatives compose the Council of the League of Nations and by three-fourths of the Members.

ARTICLE 423

Any question or dispute relating to the interpretation of this Part of the present Treaty or of any subsequent convention concluded by the Members in pursuance of the provisions of this Part of the present Treaty shall be referred for decision to the Permanent Court of International Justice.

CHAPTER IV

Transitory Provisions

ARTICLE 424

The first meeting of the Conference shall take place in October, 1919. The place and agenda for this meeting shall be as specified in the Annex hereto.

Arrangements for the convening and the organisation of the first meeting of the Conference will be made by the Government designated for the purpose in the said Annex. That Government shall be assisted in the preparation of the documents for submission to the Conference by an International Committee constituted as provided in the said Annex.

The expenses of the first meeting and of all subsequent meetings held before the League of Nations has been able to establish a general fund, other than the expenses of Delegates and their advisers, will be borne by the Members in accordance with the apportionment of the expenses of the International Bureau of the Universal Postal Union.

ARTICLE 425

Until the League of Nations has been constituted all communications which under the provisions of the foregoing Articles should be addressed to the Secretary-General of the League will be preserved by the Director of the International Labour Office, who will transmit them to the Secretary-General of the League.

ARTICLE 426

Pending the creation of a Permanent Court of International Justice disputes which in accordance with this Part of the present Treaty would be submitted to it for decision will be referred to a tribunal of three persons appointed by the Council of the League of Nations.

TREATY OF MUTUAL GUARANTEE BETWEEN
GERMANY, BELGIUM, FRANCE, GREAT
BRITAIN, AND ITALY

Done at Locarno, October 16, 1925

THE President of the German Reich, His Majesty the King of the Belgians, the President of the French Republic, and His Majesty the King of the United Kingdom of Great Britain and Ireland and of the British Dominions beyond the Seas, Emperor of India, His Majesty the King of Italy;

Anxious to satisfy the desire for security and protection which animates the peoples upon whom fell the scourge of the war of 1914-1918;

Taking note of the abrogation of the treaties for the neutralisation of Belgium, and conscious of the necessity of ensuring peace in the area which has so frequently been the scene of European conflicts;

Animated also with the sincere desire of giving to all the signatory Powers concerned supplementary guarantees within the framework of the Covenant of the League of Nations and the treaties in force between them;

Have determined to conclude a treaty with these objects, and have appointed as their plenipotentiaries:

[Names of Plenipotentiaries omitted]

Who, having communicated their full powers, found in good and due form, have agreed as follows:

ARTICLE 1

The high contracting parties collectively and severally guarantee, in the manner provided in the following articles, the maintenance of the territorial *status quo* resulting from the frontiers between Germany and Belgium and between Germany and France, and the inviolability of the said frontiers as fixed by or in pursuance of the Treaty of Peace signed at Versailles on June 28, 1919, and also the observance of the stipulations of Articles 42 and 43 of the said treaty concerning the demilitarised zone.

ARTICLE 2

Germany and Belgium, and also Germany and France, mutually undertake that they will in no case attack or invade each other or resort to war against each other.

This stipulation shall not, however, apply in the case of:

(1) The exercise of the right of legitimate defence, that is to say, resistance to a violation of the undertaking contained in the previous paragraph or to a flagrant breach of Articles 42 or 43 of the said Treaty of Versailles, if such breach constitutes an unprovoked act of aggression and by reason of the assembly of armed forces in the demilitarised zone immediate action is necessary;

(2) Action in pursuance of Article 16 of the Covenant of the League of Nations;

(3) Action as the result of a decision taken by the Assembly or by the Council of the League of Nations or in pursuance of Article 15, paragraph 7, of the Covenant of the League of Nations, provided that in this last event the action is directed against a State which was the first to attack.

ARTICLE 3

In view of the undertakings entered into in Article 2 of the present treaty, Germany and Belgium, and Germany and France, undertake to settle by peaceful means and in the manner laid down herein all questions of every kind which may arise between them and which it may not be possible to settle by the normal methods of diplomacy:

Any question with regard to which the parties are in conflict as to their respective rights shall be submitted to judicial decision, and the parties undertake to comply with such decision.

All other questions shall be submitted to a conciliation commission. If the proposals of this commission are not accepted by the two parties, the question

shall be brought before the Council of the League of Nations, which will deal with it in accordance with Article 15 of the Covenant of the League.

The detailed arrangements for effecting such peaceful settlement are the subject of special agreements signed this day.

ARTICLE 4 ✓

(1) If one of the high contracting parties alleges that a violation of Article 2 of the present treaty or a breach of Articles 42 or 43 of the Treaty of Versailles has been or is being committed, it shall bring the question at once before the Council of the League of Nations.

(2) As soon as the Council of the League of Nations is satisfied that such violation or breach has been committed, it will notify its finding without delay to the Powers signatory of the present treaty, who severally agree that in such case they will each of them come immediately to the assistance of the Power against whom the act complained of is directed.

(3) In case of a flagrant violation of Article 2 of the present treaty or of a flagrant breach of Articles 42 or 43 of the Treaty of Versailles by one of the high contracting parties, each of the other contracting parties hereby undertakes immediately to come to the help of the party against whom such a violation or breach has been directed as soon as the said Power has been able to satisfy itself that this violation constitutes an unprovoked act of aggression and that by reason either of the crossing of the frontier or of the outbreak of hostilities or of the assembly of armed forces in the demilitarised zone immediate action is necessary. Nevertheless, the Council of the League of Nations, which will be seized of the question in accordance with the first paragraph of this article, will issue its findings, and the high contracting parties undertake to act in accordance with the recommendations of the Council provided that they are concurred in by all the members other than the representatives of the parties which have engaged in hostilities.

ARTICLE 5 ✓

The provisions of Article 3 of the present treaty are placed under the guarantee of the high contracting parties as provided by the following stipulations:

If one of the Powers referred to in Article 3 refuses to submit a dispute to peaceful settlement or to comply with an arbitral or judicial decision and commits a violation of Article 2 of the present treaty or a breach of Articles 42 or 43 of the Treaty of Versailles, the provisions of Article 4 of the present treaty shall apply.

Where one of the Powers referred to in Article 3 without committing a violation of Article 2 of the present treaty or a breach of Articles 42 or 43 of the Treaty of Versailles, refuses to submit a dispute to peaceful settlement or to comply with an arbitral or judicial decision, the other party shall bring the matter before the Council of the League of Nations, and the Council shall propose what steps shall be taken; the high contracting parties shall comply with these proposals.

ARTICLE 6

The provisions of the present treaty do not affect the rights and obligations of the high contracting parties under the Treaty of Versailles or under arrangements supplementary thereto, including the agreements signed in London on August 30, 1924.

ARTICLE 7

The present treaty, which is designed to ensure the maintenance of peace, and is in conformity with the Covenant of the League of Nations, shall not be interpreted as restricting the duty of the League to take whatever action may be deemed wise and effectual to safeguard the peace of the world.

ARTICLE 8

The present treaty shall be registered at the League of Nations in accordance with the Covenant of the League. It shall remain in force until the Council, acting on a request of one or other of the high contracting parties notified to the other signatory Powers three months in advance, and voting at least by a two-thirds majority, decides that the League of Nations ensures sufficient protection to the high contracting parties; the treaty shall cease to have effect on the expiration of a period of one year from such decision.

ARTICLE 9

The present treaty shall impose no obligation upon any of the British dominions, or upon India, unless the Government of such dominion, or of India, signifies its acceptance thereof.

ARTICLE 10

The present treaty shall be ratified and the ratifications shall be deposited at Geneva in the archives of the League of Nations as soon as possible.

It shall enter into force as soon as all the ratifications have been deposited and Germany has become a member of the League of Nations.

The present treaty, done in a single copy, will be deposited in the archives of the League of Nations, and the Secretary-General will be requested to transmit certified copies to each of the high contracting parties.

In faith whereof the above-mentioned plenipotentiaries have signed the present treaty.

Done at Locarno, October 16, 1925.

THE ITALO-GERMAN MILITARY PACT

THE German Reich Chancellor and His Majesty the King of Italy and Albania, Emperor of Ethiopia, consider that the moment has come to bear testimony by a solemn act to the close relationship of friendship and community of interests existing between National Socialist Germany and Fascist Italy.

Now that a secure bridge toward mutual aid and support has been con-

structed by the common frontier, fixed for all time between Germany and Italy, both governments declare anew their faith in the policy, the foundations and aims of which have already at an earlier date been agreed upon and which has proven successful as well for the advancement of the interests of both countries and for rendering secure the peace of Europe.

Firmly bound to each other through the inner relationship of their philosophies of life and the comprehensive solidarity of their interests, the German and Italian peoples are determined in the future also to stand side by side and with united strength to render secure their space for living (*Lebensraum*) and for the maintenance of peace.

Proceeding along this path pointed out to them by history, Germany and Italy desire in the midst of a world of unrest and disintegration to serve the task of rendering safe the foundations of European culture.

In order to formulate their principles in a treaty there have been designated as plenipotentiaries:

By the German Reich Chancellor, the Reich Minister for Foreign Affairs, Herr Joachim von Ribbentrop.

By His Majesty the King of Italy and Albania, Emperor of Ethiopia, the Minister for Foreign Affairs, Count Galeazzo Ciano di Cortellazzo, who, after an exchange of their credentials which were found to be in good and proper form, agreed upon the following provisions:

ARTICLE I

The contracting parties will remain in constant contact with each other in order to arrive at an understanding on all matters touching their common interests or the general European situation.

ARTICLE II

Should the common interests of the contracting parties be endangered by international events of any sort whatsoever they will immediately enter upon consultations concerning the measures to be taken for safeguarding these interests.

Should the security or other essential interests of one of the contracting parties be threatened from the outside the other contracting partner will give the threatened party his full political and diplomatic support in order to remove this threat.

ARTICLE III

If contrary to the wishes and hopes of the contracting parties it should happen that either of them should become involved in military entanglements with one other power or with other powers, the other contracting party will immediately rally to his side as ally and support him with all his military resources on land, at sea and in the air.

ARTICLE IV

In order in any given case to make sure that the duties of an ally undertaken in accordance with Article III shall be carried out speedily, the governments of the two contracting parties will further deepen their coöperation in the realm of the military and in the realm of war economy (*Kriegswirtschaft*).

In a similar manner the two governments will also constantly arrive at understandings concerning other measures necessary for the practical execution of the provisions of this act.

The two governments will form standing commissions for the purposes indicated above under Articles I and II. These commissions shall be under the jurisdiction of the two Foreign Ministers.

ARTICLE V

The contracting parties obligate themselves now, in the event of war conducted jointly, to conclude an armistice and peace only in full agreement with each other.

ARTICLE VI

The two contracting parties are conscious of the importance which attaches to their common relations to powers with whom they are on terms of friendship.

They are determined in future, too, to keep up these relationships and jointly to give them a form consonant with the mutual interests that bind these powers.

ARTICLE VII

This pact becomes effectivé immediately from the moment of signature.

The two contracting parties are in agreement to fix the first period of its effectiveness for ten years.

They will come to an understanding in sufficient time before expiration of this period concerning the extension of the effectiveness of the pact.

As document of this the plenipotentiaries have signed this Pact and set their seal to it.

Completed in duplicate form, in German and Italian, both have the same validity.

Berlin, May 22, 1939
XVII Year of the Fascist Era.

(signed) JOACHIM VON RIBBENTROP
 (signed) GALEAZZO CIANO

THE ANTI-COMINTERN PACT

THE Government of the German Reich and the Imperial Japanese Government, declaring the purpose of the Communist International, called Comintern, is to destroy and subdue the existing States by all available means,

Assured that the interference of the Communist International in the internal affairs of nations threatens not only their domestic tranquillity and social welfare but threatens world peace in general,

Have agreed, to coöperate against the communist activity of destruction in the following manner:

ARTICLE 1

The High Contracting Parties agree to share information concerning the activities of the Third International, to consult in regard to necessary defense measures and to execute the same in full coöperation with each other.

ARTICLE 2

The High Contracting Parties agree to invite third Powers, whose domestic tranquillity is threatened by the activity of the Communist International, to take defense measures in the spirit of this understanding or to participate in the agreement.

ARTICLE 3

This agreement, the German and Japanese texts being equally authentic, shall take effect from the date of signature and shall remain in force for a period of five years. Before the expiration of this period, the High Contracting Parties will by mutual consent decide in regard to the form of their continued coöperation.

Done at Berlin, in duplicate, this 25th day of November, 1936.

(Signed) JOACHIM VON RIBBENTROP

(Signed) VICOMTE KINTOMO MUSHAKOJI

SUPPLEMENTARY PROTOCOL

In accordance with the signature of the agreement against the Communist International of today's date, the Plenipotentiaries have signed the following protocol:

a. The High Contracting Parties agree to coöperate in the matter of exchanging information concerning the work of the Communist International, and devise means for education and defense against its activities.

b. The High Contracting Parties agree to use rigorous measures in accordance with the provisions of the law in order to combat at home or abroad all those who directly or indirectly are active in the subversive work of the Communist International.

c. In order to facilitate the coöperation of the competent authorities of the High Contracting Parties a permanent commission shall be set up, which shall decide on any further defense measures necessary for combatting the subversive activity of the Communist International.

THE BERLIN-MOSCOW NONAGGRESSION TREATY

THE German Reich Government and the Union of Soviet Socialist Republics, moved by a desire to strengthen the state of peace between Germany and the U.S.S.R. and in the spirit of the provisions of the neutrality treaty of April, 1926, between Germany and the U.S.S.R., decided the following:

ARTICLE I

The two contracting parties obligate themselves to refrain from every act of force, every aggressive action and every attack against one another, including any single action or that taken in conjunction with other powers.

ARTICLE II

In case one of the parties of this treaty should become the object of warlike acts by a third power, the other party will in no way support this third power.

ARTICLE III

The governments of the two contracting parties in the future will constantly remain in consultation with one another in order to inform each other regarding questions of common interest.

ARTICLE IV

Neither of the high contracting parties will associate itself with any other grouping of powers which directly or indirectly is aimed at the other party.

ARTICLE V

In the event of a conflict between the contracting parties concerning any question, the two parties will adjust this difference or conflict exclusively by friendly exchange of opinions or, if necessary, by an arbitration commission.

ARTICLE VI

The present treaty will extend for a period of ten years with the condition that if neither of the contracting parties announces its abrogation within one year of expiration of this period, it will continue in force automatically for another period of five years.

ARTICLE VII

The present treaty shall be ratified within the shortest possible time. The exchange of ratification documents shall take place in Berlin. The treaty becomes effective immediately upon signature.

Drawn up in two languages, German and Russian.

Moscow, 23d of August, 1939.

For the German Government:

RIBBENTROP.

In the name of the Government of the U.S.S.R.:

MOLOTOFF.

THE NEUTRALITY ACT OF 1939

JOINT RESOLUTION

TO PRESERVE THE NEUTRALITY AND THE PEACE OF THE
UNITED STATES AND TO SECURE THE SAFETY OF ITS
CITIZENS AND THEIR INTERESTS

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled.

WHEREAS, the United States, desiring to preserve its neutrality in wars between foreign States and desiring also to avoid involvement therein, voluntarily imposes upon its nationals by domestic legislation the restrictions set out in this joint resolution; and

WHEREAS, by so doing the United States waives none of its own rights or privileges, or those of any of its nationals, under international law, and expressly reserves all the rights and privileges to which it and its nationals are entitled under the law of nations; and

WHEREAS, the United States, hereby expressly reserves the right to repeal, change or modify this joint resolution or any other domestic legislation in the interests of the peace, security or welfare of the United States and its people, therefore be it

Resolved, by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. (a) That whenever the President, or the Congress by concurrent resolution, shall find that there exists a state of war between foreign States, and that it is necessary to promote the security or preserve the peace of the United States or to protect the lives of citizens of the United States, the President shall issue a proclamation naming the States involved; and he shall, from time to time, by proclamation, name other States as and when they may become involved in the war.

(b) Whenever the state of war which shall have caused the President to issue any proclamation under the authority of this section shall have ceased to exist with respect to any State named in proclamation, he shall revoke such proclamation with respect to such State.

SECTION 2. (a) Whenever the President shall have issued a proclamation under the authority of Section 1 (a) it shall thereafter be unlawful for any American vessel to carry any passengers or any articles or materials to any State named in such proclamation.

(b) Whoever shall violate any of the provisions of subsection (a) of this section or of any regulations issued thereunder shall, upon conviction thereof, be fined not more than \$50,000 or imprisoned for not more than five years, or both. Should the violation be by a corporation, organization or association, each officer or director thereof participating in the violation shall be liable to the penalty herein prescribed.

(c) Whenever the President shall have issued a proclamation under the authority of Section 1 (a) it shall thereafter be unlawful to export or transport,

or attempt to export or transport, or cause to be exported or transported, from the United States to any State named in such proclamation, any articles or materials (except copyrighted articles or materials) until all right, title and interest therein shall have been transferred to some foreign government, agency, institution, association, partnership, corporation, or national. (Issuance of a bill of lading under which title to the goods shipped passes to the purchaser unconditionally upon delivery of the goods to carrier, shall constitute a transfer of all right, title and interest therein within the meaning of this subsection.) The shipper of such articles or materials shall be required to file with the collector of the port from or through which they are to be exported a declaration under oath that he has complied with the requirements of this subsection with respect to transfer of right, title and interest in such articles or materials and that he will comply with such rules and regulations as shall be promulgated from time to time. Any such declaration so filed shall be a conclusive estoppel against any claim of any citizen of the United States having knowledge of such shipment or of such declaration of right, title or interest in such articles or materials. No loss incurred by any such citizen (1) in connection with the sale or transfer of right, title, and interest in any such articles or materials or (2) in connection with the exportation or transportation of any such copyrighted articles or materials, shall be made the basis of any claim put forward by the Government of the United States.

(d) Insurance written by underwriters on articles or materials included in shipments which are subject to restrictions under the provisions of this joint resolution, and on vessels carrying such shipments, shall not be deemed an American interest therein, and no insurance policy issued on such articles or materials, or vessels, and no loss incurred thereunder or by the owners of such vessels, shall be made the basis of any claim put forward by the Government of the United States.

(e) Whenever any proclamation issued under the authority of Section 1 (a) shall have been revoked with respect to any State the provisions of this section shall thereupon cease to apply with respect to such State, except as to offenses committed prior to such revocation.

(f) The provisions of subsection (a) of this section shall not apply to transportation by American vessels on or over lakes, rivers, and inland waters bordering on the United States, or to transportation by aircraft on or over lands bordering on the United States; and the provisions of subsection (c) of this section shall not apply (1) to such transportation of any articles or materials other than articles listed in a proclamation issued under the authority of Section 12 (i) or to any other transportation on or over lands bordering on the United States of any articles or materials other than articles listed in a proclamation issued under the authority of Section 12 (i), and the provisions of subsections (a) and (c) of this section shall not apply to the transportation referred to in this subsection and subsections (g) and (h) of any articles or materials listed in a proclamation issued under the authority of Section 12 (i) if the articles or materials so listed are to be used exclusively by American vessels, aircraft, or other vehicles in connection with their operation and maintenance.

(g) The provisions of subsections (a) and (c) of this section shall not apply to transportation by American vessels (other than aircraft) of mail, passengers, or any articles or materials—except articles or materials listed in a proclamation issued under the authority of Section 12 (i)—(1) to any port in the Western Hemisphere north of thirty-five degrees north latitude, (2) to any port in the Western Hemisphere north of thirty-five degrees north latitude and west of sixty-six degrees west longitude, (3) to any port on the Pacific or Indian Oceans, including the China Sea, the Tasman Sea, the Bay of Bengal, and the Arabian Sea or (4) to any port on the Atlantic Ocean or its dependent waters and any other dependent waters of either of such oceans, seas or bays, south of thirty degrees north latitude. The exceptions contained in this subsection shall not apply to any such port which is included within a combat area as defined in Section 3, which applies to such vessels.

(h) The provisions of subsections (a) and (c) of this section shall not apply to transportation by aircraft of mail, passengers, or any articles or materials—except articles or materials listed in a proclamation issued under the authority of Section 12 (i)—(1) to any port in the Western Hemisphere, or (2) to any port on the Pacific or Indian Oceans, including the China Sea, the Tasman Sea, the Bay of Bengal and the Arabian Sea and any other dependent waters of either such oceans, seas or bays. The exceptions contained in this subsection shall not apply to any such port which is included within a combat area as defined in Section 3, which applies to such aircraft.

(i) Every American vessel to which the provisions of subsections (g) and (h) apply, and every neutral vessel to which the provisions of subsection (i) apply, shall, before departing from a port or from the jurisdiction of the United States, file with the collector of customs of the port of departure, or if there is no such collector at such port then with the nearest collector of customs, a sworn statement (1) containing a complete list of all the articles and materials carried as cargo by such vessel, and the names and addresses of the consignees of all such articles and materials, and (2) stating the ports at which such articles and materials are to be unloaded and the ports of call of such vessel. All transportation referred to in subsections (f), (g) and (h) of this section shall be subject to such restrictions, rules and regulations as the President shall prescribe; but no loss incurred in connection with any transportation excepted under the provisions of subsections (g) and (h) of this section shall be made the basis of any claim put forward by the Government of the United States.

(j) Whenever all proclamations issued under the authority of Section 1 (a) shall have been revoked, the provisions of subsections (f), (g), (h), and (i) of this section shall expire.

(k) The provisions of this section shall not apply to the current voyage of any American vessel which has cleared for a foreign port and has departed from a port or from the jurisdiction of the United States in advance of (1) the date of enactment of this joint resolution, or (2) any proclamation issued after such date under the authority of Section 1 (a) of this joint resolution; but any such vessel shall proceed at its own risk after either of such dates, and no loss incurred in connection with any such vessel or its cargo after either of such dates

shall be made the basis of any claim put forward by the Government of the United States.

(1) The provisions of subsection (c) of this section shall not apply to the transportation by a neutral vessel to any port referred to in subsection (g) of this section of any articles or materials—except articles or materials listed in a proclamation referred to in it or issued under the authority of Section 12 (i)—so long as such port is not included within a combat area as defined in Section 3 which applies to American vessels.

SECTION 3. (a) Whenever the President shall have issued a proclamation under the authority of 1 (a), and he shall thereafter find that the protection of citizens of the United States so requires, he shall, by proclamation, define combat areas, and thereafter it shall be unlawful, except under such rules and regulations as may be prescribed, for any citizen of the United States or any American vessel to proceed into or through any such combat area. The combat areas so defined may be made to apply to surface vessels or aircraft, or both.

(b) In case of the violation of any of the provisions of this section by any American vessel, or any owner or officer thereof, such vessel, owner or officer shall be fined not more than \$50,000 or imprisoned for not more than five years, or both. Should the owner of such vessel be a corporation, organization, or association, each officer or director participating in the violation shall be liable to the penalty hereinabove prescribed. In case of the violation of this section by any citizen traveling as a passenger, such passenger may be fined not more than \$10,000 or imprisoned for not more than two years, or both.

(c) The President may from time to time modify or extend any proclamation issued under the authority of this section, and when the conditions which shall have caused him to issue any such proclamation shall have ceased to exist he shall revoke such proclamation and the provisions of this section shall thereupon cease to apply, except as to offenses committed prior to such revocation.

SECTION 4. The provisions of Section 2 (a) shall not prohibit the transportation by vessels under charter or other direction and control of the American Red Cross, proceeding under safe conduct granted by States named in any proclamation issued under the authority of Section 1 (a), of officers and American Red Cross personnel, medical personnel, and medical supplies, food, and clothing, for the relief of human suffering.

SECTION 5. (a) Whenever the President shall have issued a proclamation under the authority of Section 1 (a) it shall thereafter be unlawful for any citizen of the United States to travel on any vessel of any State named in such proclamation, except in accordance with such rules and regulations as may be prescribed.

(b) Whenever any proclamation issued under the authority of Section 1 (a) shall have been revoked with respect to any State the provisions of this section shall thereupon cease to apply with respect to such State, except as to offenses committed prior to such revocation.

SECTION 6. Whenever the President shall have issued a proclamation under the authority of Section 1 (a), it shall thereafter be unlawful, until such proclamation is revoked, for any American vessel engaged in commerce with any

foreign State to be armed, except with small arms and ammunition therefor, which the President may deem necessary and shall publicly designate for the preservation of discipline aboard any such vessel.

SECTION 7. (a) Whenever the President shall have issued a proclamation under the authority of Section 1 (a), it shall thereafter be unlawful for any person within the United States to purchase, sell, or exchange bonds, securities, or other obligations of the government of any State named in such proclamation, or of any political subdivision of any such State, or of any person acting for or on behalf of the government of any such State or political subdivision thereof, issued after the date of such proclamation, or to make any loan or extend any credit (other than necessary credits accruing in connection with the transmission of telegraph, cable, wireless, and telephone services) to any such government, political subdivision, or person. The provisions of this subsection shall also apply to the sale by any person within the United States to any person in a State named in any such proclamation of any articles or materials listed in a proclamation issued under the authority of Section 12 (i).

(b) The provisions of this section shall not apply to a renewal or adjustment of such indebtedness as may exist on the date of such proclamation.

(c) Whoever shall violate any of the provisions of this section or of any regulations issued thereunder shall, upon conviction thereof, be fined not more than \$50,000 or imprisoned for not more than five years, or both. Should the violation be by a corporation, organization, or association, each officer or director thereof participating in the violation shall be liable to the penalty herein prescribed.

(d) Whenever any proclamation issued under the authority of Section 1 (a) shall have been revoked with respect to any State the provisions of this section shall thereupon cease to apply with respect to such State, except as to offenses committed prior to such revocation.

SECTION 8. (a) Whenever the President shall have issued a proclamation under the authority of Section 1 (a), it shall thereafter be unlawful for any person within the United States to solicit or receive any contribution for or on behalf of the government of any State named in such proclamation or for or on behalf of any agent or instrumentality of any such State.

(b) Nothing in this section shall be construed to prohibit the solicitation or collection of funds and contributions to be used for medical aid and assistance, or for food and clothing to relieve human suffering, when such solicitation or collection of funds and contributions is made on behalf of and for use by any person or organization which is not acting for or on behalf of any such government, but all such solicitations and collections of funds and contributions shall be in accordance with and subject to such rules and regulations as may be prescribed.

(c) Whenever any proclamation issued under the authority of Section 1 (a) shall have been revoked with respect to any State the provisions of this section shall thereupon cease to apply with respect to such State, except as to offenses committed prior to such revocation.

SECTION 9. This joint resolution, except Section 12, shall not apply to any American republic engaged in war against a non-American State or States, provided the American republic is not cooperating with a non-American State or States in such war.

SECTION 10. (a) Whenever, during any war in which the United States is neutral, the President, or any person thereunto authorized by him, shall have cause to believe that any vessel, domestic or foreign, whether requiring clearance or not, is about to carry out of a port or from the jurisdiction of the United States, fuel, men, arms, ammunition, implements of war, supplies, dispatches, or information to any warship, tender, or supply ship of a State named in a proclamation issued under the authority of Section 1 (a), but the evidence is not deemed sufficient to justify forbidding the departure of the vessel as provided for by Section 1, title V, chapter 30, of the act approved June 15, 1917 (40 Stat. 217, 221; U. S. C., 1934 edition, title 18, Sec. 31), and if, in the President's judgment, such action will serve to maintain peace between the United States and foreign States, or to protect the commercial interests of the United States and its citizens, or to promote the security or neutrality of the United States, he shall have the power and it shall be his duty to require the owner, master, or person in command thereof, before departing from a port or from the jurisdiction of the United States to give a bond to the United States, with sufficient sureties, in such amount, as he shall deem proper, conditioned that the vessel will not deliver the men, or any fuel, supplies, dispatches, information, or any part of the cargo, to any warship, tender, or supply ship of a State named in a proclamation issued under the authority of Section 1 (a).

(b) If the President, or any person thereunto authorized by him, shall find that a vessel, domestic or foreign, in a port of the United States has previously departed from a port or from the jurisdiction of the United States during such war and delivered men, fuel, supplies, dispatches, information or any part of its cargo to a warship, tender or supply ship of a State named in a proclamation issued under the authority of Section 1 (a) he may prohibit the departure of such vessel during the duration of the war.

(c) Whenever the President shall have issued a proclamation under Section 1 (a) he may, while such proclamation is in effect, require the owner, master or person in command of any vessel, foreign or domestic, before departing from the United States, to give a bond to the United States, with sufficient sureties, in such amount as he shall deem proper, conditioned that no alien seamen who arrived on such vessel shall remain in the United States for a longer period than that permitted under the regulations, as amended from time to time, issued pursuant to Section 33 of the Immigration Act of February 5, 1917 (U. S. C., title 8, Sec. 168). Notwithstanding the provisions of said section, he may issue regulations with respect to the landing of such seamen as he deems necessary to insure their departure either on such vessel or another vessel at the expense of such owner, master or person in command.

SECTION 11. Whenever, during any war in which the United States is neutral, the President shall find that special restrictions placed on the use of the ports and territorial waters of the United States by the submarines or armed

merchant vessels of a foreign State will serve to maintain peace between the United States and foreign States, or to protect the commercial interests of the United States and foreign States, or to protect the commercial interests of the United States and its citizens, or to promote the security of the United States, and shall make proclamation thereof, it shall thereafter be unlawful for any such submarine or armed merchant vessel to enter a port or the territorial waters of the United States or to depart therefrom, except under such conditions and subject to such limitations as the President may prescribe. Whenever, in his judgment, the conditions which have caused him to issue his proclamation have ceased to exist, he shall revoke his proclamation and the provisions of this section shall thereupon cease to apply, except as to offenses committed prior to such revocation.

SECTION 12. (a) There is hereby established a National Munitions Control Board (hereinafter referred to as the "Board"). The Board shall consist of the Secretary of State, who shall be chairman and executive officer of the Board; the Secretary of the Treasury, the Secretary of War, the Secretary of the Navy, and the Secretary of Commerce. Except as otherwise provided in this section, or by other law, the administration of this section is vested in the Secretary of State. The Secretary of State shall promulgate such rules and regulations with regard to the enforcement of this section as he may deem necessary to carry out its provisions. The Board shall be convened by the chairman and shall hold at least one meeting a year.

(b) Every person who engages in the business of manufacturing, exporting, or importing any arms, ammunition, or implements of war listed in a proclamation issued under authority of subsection (k) of this section, whether as an exporter, importer, manufacturer or dealer, shall register with the Secretary of State his name, or business name, principal place of business, and places of business in the United States, and a list of the arms, ammunition, and implements of war which he manufactures, imports, or exports.

(c) Every person required to register under this section shall notify the Secretary of State of any change in the arms, ammunition, or implements of war which he exports, imports, or manufactures; and upon such notification the Secretary of State shall issue to such person an amended certificate of registration, free of charge, which shall remain valid until the date of expiration of the original certificate. Every person required to register under the provisions of this section shall pay a registration fee of \$100. Upon receipt of the required registration fee the Secretary of State shall issue a registration certificate valid for five years, which shall be renewable for further periods of five years upon the payment for each renewal of a fee of \$100.

(d) It shall be unlawful for any person to export, or attempt to export, from the United States to any other State, any arms, ammunition, or implements of war listed in a proclamation issued under the authority of subsection (i) of this section, or to import, or attempt to import, to the United States from any other State, any of the arms, ammunition, or implements of war listed in any such proclamation, without first having submitted to the Secretary of State

the name of the purchaser and the terms of sale and having obtained a license therefor.

(e) All persons required to register under this section shall maintain, subject to the inspection of the Secretary of State, or any person or persons designated by him, such permanent records of manufacture for export, importation, and exportation of arms, ammunition, and implements of war as the Secretary of State shall prescribe.

(f) Licenses shall be issued by the Secretary of State to persons who have registered as herein provided for, except in cases of export or import licenses where the export of arms, ammunition, or implements of war would be in violation of this joint resolution or any other law of the United States, or of a treaty to which the United States is a party, in which cases such licenses shall not be issued.

(g) No purchase of arms, ammunition, or implements of war shall be made on behalf of the United States by any officer, executive department, or independent establishment of the government from any person who shall have failed to register under the provisions of this joint resolution.

(h) The Board shall make a report to Congress on January 3 and July 3 of each year, copies of which shall be distributed as are other reports transmitted to Congress. Such report shall contain such information and data collected by the Board as may be considered of value in the determination of questions connected with the control of trade in arms, ammunition, and implements of war, including the name of the purchaser and the terms of sale made under such license. The Board shall include in such reports a list of all persons required to register under the provisions of this joint resolution, and full information concerning the licenses issued hereunder, including the name of the purchaser and the terms of sale made under such license.

(i) The President is hereby authorized to proclaim upon recommendation of the Board from time to time a list of articles which shall be considered arms, ammunition, and implements of war for the purposes of this section.

SECTION 13. The President may, from time to time, promulgate such rules and regulations not inconsistent with law as may be necessary and proper to carry out any of the provisions of this joint resolution and he may exercise any power or authority conferred on him by this joint resolution through such officer or officers, or agency or agencies, as he shall direct.

SECTION 14. (a) It shall be unlawful for any vessel belonging to or operating under the jurisdiction of any foreign State to use the flag of the United States thereon, or to make use of any distinctive signs or markings, indicating that the same is an American vessel.

(b) Any vessel violating the provisions of subsection (a) of this section shall be denied for a period of three months the right to enter the ports or territorial waters of the United States except in case of force majeure.

SECTION 15. In every case of the violation of any of the provisions of this joint resolution or of any rule or regulation issued pursuant thereto where a specific penalty is not herein provided, such violator or violators, upon conviction,

tion, shall be fined not more than \$10,000, or imprisoned not more than two years, or both.

SECTION 16. For the purpose of this joint resolution—

(a) The term "United States" when used in a geographical sense includes the several States and territories, the insular possessions of the United States (including the Philippine Islands), the Canal Zone, and the District of Columbia.

(b) The term "person" includes a partnership, company, association, or corporation, as well as a natural person.

(c) The term "vessel" means every description of water craft and aircraft capable of being used as a means of transportation on, under, or over water.

(d) The term "American vessel" means any vessel documented, and any aircraft registered or licensed, under the laws of the United States.

(e) The term "State" shall include nation, government, and country.

(f) The term "citizen" shall include any individual owing allegiance to the United States, a partnership, company, or association composed in whole or in part of citizens of the United States, and any corporation organized and existing under the laws of the United States as defined in subsection (a) of this section.

SECTION 17. If any of the provisions of this joint resolution, or the application thereof to any person or circumstance, is held invalid, the remainder of the joint resolution, and the application of such provision to other persons or circumstances, shall not be affected thereby.

SECTION 18. There is hereby authorized to be appropriated from time to time, out of any money in the Treasury not otherwise appropriated, such amounts as may be necessary to carry out the provisions and accomplish the purposes of this joint resolution.

SECTION 19. The joint resolution of August 31, 1935, as amended, and the joint resolution of January 8, 1937, are hereby repealed: Provided, That such repeal shall not affect the validity of certificates of registration or licenses issued pursuant to Section 2 of the joint resolution of August 31, 1935, or Section 5 of the joint resolution of August 31, 1935, as amended, or the validity of proclamation No. 2237 of May 1, 1937 (50 Stat. 1834), defining the term "arms, ammunition, and implements of war," which, until it is revoked, shall have full force and effect as if issued pursuant to this joint resolution: Provided further, That offenses committed and penalties, forfeitures, or liabilities incurred under either of such joint resolutions prior to the date of enactment of this joint resolution may be prosecuted and punished, and suits and proceedings for violations of either of such joint resolutions or of any rule or regulation issued pursuant thereto may be commenced and prosecuted, in the same manner and with the same effect as if such joint resolution had not been repealed.

SECTION 20. This joint resolution may be cited as the "Neutrality Act of 1939."

THE LIMA DECLARATIONS

DECLARATION OF THE PRINCIPLES OF THE SOLIDARITY OF
AMERICA, APPROVED AT LIMA, DECEMBER 24, 1938

CONSIDERING:

That the peoples of America have achieved spiritual unity through the similarity of their republican institutions, their unshakable will for peace, their profound sentiment of humanity and tolerance, and through their absolute adherence to the principles of international law, of the equal sovereignty of States and of individual liberty without religious or racial prejudices;

That on the basis of such principles and will, they seek and defend the peace of the continent and work together in the cause of universal concord;

That respect for the personality, sovereignty, and independence of each American State constitutes the essence of international order sustained by continental solidarity, which historically has been expressed and sustained by declarations and treaties in force; and

That the Inter-American Conference for the Maintenance of Peace, held at Buenos Aires, approved on December 21, 1936, the Declaration of the Principles of Inter-American Solidarity and Cooperation, and approved, on December 23, 1936, the Protocol of Non-intervention,

The Governments of the American States

DECLARE:

First. That they reaffirm their continental solidarity and their purpose to collaborate in the maintenance of the principles upon which the said solidarity is based.

Second. That faithful to the above-mentioned principles and to their absolute sovereignty, they reaffirm their decision to maintain them and to defend them against all foreign intervention or activity that may threaten them.

Third. And in case the peace, security or territorial integrity of any American Republic is thus threatened by acts of any nature that may impair them, they proclaim their common concern and their determination to make effective their solidarity, coördinating their respective sovereign wills by means of the procedure of consultation, established by conventions in force and by declarations of the Inter-American Conferences, using the measures which in each case the circumstances may make advisable. It is understood that the Governments of the American Republics will act independently in their individual capacity, recognizing fully their juridical equality as sovereign states.

Fourth. That in order to facilitate the consultations established in this and other American peace instruments, the Ministers for Foreign Affairs of the American Republics, when deemed desirable and at the initiative of any one of them, will meet in their several capitals by rotation and without protocolary character. Each Government may, under special circumstances or for special reasons, designate a representative as a substitute for its Minister for Foreign Affairs.

Fifth. This Declaration shall be known as the "Declaration of Lima."

DECLARATION OF AMERICAN PRINCIPLES, APPROVED AT
LIMA, DECEMBER 24, 1938

WHEREAS:

The need for keeping alive the fundamental principles of relations among nations was never greater than today; and

Each State is interested in the preservation of world order under law, in peace with justice, and in the social and economic welfare of mankind,

The Governments of the American Republics

Resolve:

To proclaim, support and recommend, once again, the following principles, as essential to the achievement of the aforesaid objectives:

1. The intervention of any State in the internal or external affairs of another is inadmissible.

2. All differences of an international character should be settled by peaceful means.

3. The use of force as an instrument of national or international policy is proscribed.

4. Relations between States should be governed by the precepts of international law.

5. Respect for and the faithful observance of treaties constitute the indispensable rule for the development of peaceful relations between States, and treaties can only be revised by agreement of the contracting parties.

6. Peaceful collaboration between representatives of the various States and the development of intellectual interchange among their peoples is conducive to an understanding by each of the problems of the other as well as of problems common to all, and makes more readily possible the peaceful adjustment of international controversies.

7. Economic reconstruction contributes to national and international well-being, as well as to peace among nations.

8. International coöperation is a necessary condition to the maintenance of the aforementioned principles.

LIMA, *December 24, 1938.*

BIBLIOGRAPHICAL NOTE

THROUGHOUT the preceding chapters the reader's attention has been directed by means of footnotes to more important and easily accessible references providing further reading on each major topic. This procedure has made it unnecessary to append any general bibliography compiled from the almost inexhaustible list of available printed materials dealing with international relations. The authors have felt, however, that it might be helpful to make brief reference to some of the more widely used and basic sources of material bearing on the subject. The notations which follow are merely suggestive, no attempt having been made to prepare an exhaustive reference guide. Only references in the English language have been included.

BIBLIOGRAPHICAL GUIDES

The most satisfactory bibliographical guide to new publications in the field is the extensive annotated list published in the concluding pages of each issue of *Foreign Affairs*, the quarterly journal of the American Council on Foreign Relations. Some time ago the Council published a volume of these references which had appeared in past issues. Edited by W. L. Langer and H. F. Armstrong, this volume bore the title, *Foreign Affairs Bibliography, 1919-1932* (New York, 1933). A more extensive appraisal of new publications may be found in the book review section of *International Affairs*, the bimonthly journal published by the Royal Institute of International Affairs in London. A good general bibliography is *A London Bibliography of the Social Sciences* (4 vols., London, 1931-32, with two supplementary volumes covering the period 1932-36) published by the London School of Economics and Political Science. This elaborate bibliography is conveniently classified.

DOCUMENTARY COLLECTIONS

Collections of documentary materials are readily available. Virtually all formal treaties concluded since 1919 will be found in the League of Nations *Treaty Series*, which consists up to the present of some 200 volumes. Correspondence of the American government with foreign governments is published by the State Department in the annual volumes entitled *Foreign Relations of the United States*. Unfortunately, for official reasons, these volumes have a lag of approximately twenty-five years behind the current year. The State Department has recently combined its *Press Releases* and the *Treaty Information Series* into a single *Department of State Bulletin* which is now published weekly.

Certain privately published documentary collections should be familiar to every student. Of these, the most valuable is *Documents on International Affairs* published annually since 1928 by the Royal Institute of International Affairs

in London. This admirable collection is now supplemented by *Documents on American Foreign Relations* (Boston, 1939) edited by S. S. Jones and D. P. Myers and published by the World Peace Foundation. The volume which covered the year 1938 and the first half of 1939 was announced as the initial publication of an annual series. The most inexpensive and convenient documentary collection covering a longer period is *Speeches and Documents on International Affairs, 1918-1937* (2 vols., London and New York, 1938), edited by A. B. Keith. Older but somewhat more comprehensive is J. E. Harley, *Documentary Textbook on International Relations* (Los Angeles, 1934). It may be convenient at times to look for certain documents in W. H. Cooke and E. P. Stickney, *Readings in European International Relations since 1879* (New York, 1931). This can be supplemented by W. C. Langsam, *Documents and Readings in the History of Europe Since 1918* (Philadelphia and New York, 1939). It should not be amiss to add that the texts of many speeches on foreign relations and some diplomatic correspondence are published monthly by the Carnegie Endowment for International Peace in its *International Conciliation* series.

YEAR BOOKS AND ATLASES

For general statistical information which is both up to the minute and accurate there is no better source than the League of Nations *Statistical Year Book*. Many of the other League publications contain specialized statistical material. Among these are the *Armaments Year Book*, the *Review of World Trade*, and the immensely valuable *World Economic Survey*. Students who wish to become familiar with the manifold publications of the League should consult Marie J. Carroll, *Key to League of Nations Documents, 1920-29* (Boston, 1930). This volume has supplements covering the years 1930, 1931, and 1932-33. A more recent brief analysis of the League documentation is contained in A. C. de Breycha-Vauthier, *Sources of Information: A Handbook on the Publications of the League of Nations* (New York, 1939). Especial attention should be drawn to the publications of the International Labor Office, notably the *International Labor Organization Year Book*, the *International Labor Review*, the *Official Bulletin*, and the *Studies and Reports* series. Further sources of current information are such annual volumes as the *Statesmen's Year Book* (London), the *World Almanac* (New York) and the *Political Handbook of the World* (New York). The last-named publication is edited yearly for the Council on Foreign Relations by W. H. Mallory. A valuable list of American organizations dealing with international relations, together with a brief summary of the activities of each, may be found in Edith Ware, *The Study of International Relations in the United States* (2nd ed., New York, 1938). Geographical information and many excellent maps may be found in A. Rado, *The Atlas of Today and Tomorrow* (London, 1938) and J. F. Horrabin, *An Atlas of Current Affairs* (5th ed., New York, 1939).

GENERAL SURVEYS

The most important single analysis of current developments in international relations is to be found in the volumes of the *Survey of International Affairs*

published under the direction of Professor Arnold J. Toynbee by the Royal Institute of International Affairs. This series, which began with a first volume covering the period 1920-23 and continued in annual volumes thereafter, is indispensable for every serious student. The American Council on Foreign Relations initiated a similar project for the foreign affairs of the United States in 1928. From that date until 1931, these yearly volumes, edited by C. P. Howland, were entitled, *Survey of American Foreign Relations*. Since then they have appeared under the title, *The United States in World Affairs*. The more recent volumes have been edited by W. H. Shepardson in collaboration with W. O. Scroggs. Each volume contains a brief documentary appendix.

There are numerous single-volume accounts of international relations since the first world war. Of these the most satisfactory is G. M. Gathorne-Hardy, *A Short History of International Affairs, 1920-1938* (London and New York, 1938). A brief summary of the chief developments of the same period is available in E. H. Carr, *International Relations since the Peace Treaties* (London, 1937). Two others covering a broader field are W. C. Langsam, *The World Since 1914* (4th ed., New York, 1940) and J. H. Jackson, *The Post-War World* (New York, 1935).

A number of college textbooks, designed to present the student with an analytical introduction to international relations, have been published from time to time. Some of these may be singled out for brief comment. Until recently the most widely used volume was R. L. Buell, *International Relations* (2nd ed., New York, 1929). Well organized and comprehensive, it enjoyed much favor for many years. Professor F. L. Schuman's text, *International Politics* (2nd ed., New York, 1937) is exhaustive and stimulating. Also widely used is F. H. Simonds and B. Emeny, *The Great Powers in World Politics* (rev. ed., New York, 1937). This volume approaches the study of international relations primarily through an analysis of the foreign policies of the Great Powers. Those desiring a Marxist interpretation of recent international relations may consult R. Palme Dutt, *World Politics, 1918-1936* (New York, 1936). F. J. Brown, Ch. Hodges, and J. S. Roucek have edited a recent text, *Contemporary World Politics* (New York, 1939) in which more than thirty collaborators have written brief chapters. Still more recent is B. W. Maxwell, *International Relations* (New York, 1939), a volume which combines a chronological account with analyses of foreign policies of the Great Powers and with chapters devoted to regional aspects of international affairs.

PERIODICALS, PAMPHLETS, AND BROCHURES

Most students may obtain easy access to many valuable periodicals, pamphlets, and brochures. In this connection special reference may be made to the publications of the Foreign Policy Association. The biweekly *Foreign Policy Reports* are thorough, impartial, and unflinching useful. This Association also publishes a weekly *Foreign Policy Bulletin* which presents a brief analysis of one or two major developments of the week. Except for chronological purposes, the *Bulletin* is of limited utility. Rather more valuable, especially for the general public, are the small booklets in the two series, *Headline Books* and *World Af-*

fairs Pamphlets. Several of the striking pictograms which embellish the pages of the *Headline Books* have been reproduced in earlier chapters of the present volume. The *Bulletin of International News*, published fortnightly by the Information Department of the British Royal Institute of International Affairs, combines a carefully classified, extensive, and accurate chronology of events of international importance with lucid and concise interpretation. The World Peace Foundation, of Boston, publishes occasional brochures of distinct merit upon many phases of international affairs.

Reference has already been made to *Foreign Affairs*, which is the most satisfactory of all scholarly journals devoted to the subject. The Royal Institute Journal, *International Affairs*, in lieu of formal articles prints the texts of addresses by public officials and well-known authorities given at Chatham House, the headquarters of the Institute. Scholarly articles dealing primarily with legal aspects of international relations will be found in the *American Journal of International Law*, published quarterly by the American Society of International Law. From time to time important articles will be found in other journals such as the *Political Science Quarterly*, published by the Academy of Political Science in New York; the *American Political Science Review*, published by the American Political Science Association; *Politica*, published in England by the London School of Economics and Political Science; the *Political Quarterly*, published privately in London; and *The Round Table*, a British quarterly devoted primarily to affairs of the Empire.

REGIONAL FIELDS

Although space limitations make it impossible to comment extensively on literature dealing with specialized regional aspects of international relations, brief mention may be made of some materials concerning Latin America and the Far East. For the former, a valuable bibliographical guide is the *Handbook of Latin American Studies* issued annually since 1936, under the editorship of Lewis Hanke and Raul d'Eca, for the Committee on Latin American Studies of the American Council of Learned Societies; the section on International Relations covers current topics of a general character, as well as treaties, conventions, and other international agreements pertaining to the Americas. The publications of the Pan American Union are indispensable. Among these are the monthly *Bulletin*, which discusses current developments in inter-American relations; the *Foreign Trade* series and *Commercial Pan America*, which appear monthly in pamphlet form; and the *Law and Treaty* and the *Congress and Conference* series, each of which consists of documentary reports on Pan-American agreements and conferences as occasion warrants. Scholarly and informational articles will be found in *The Inter-American Quarterly* (formerly the *Quarterly Journal of Inter-American Relations*) published at Washington, D. C., under the editorship of J. I. B. McCulloch.

For the Far Eastern field the various publications of the Institute of Pacific Relations constitute the most important single source of reference. The International Secretariat publishes the quarterly, *Pacific Affairs*; the *I. P. R. Notes*; the volumes entitled *Problems of the Pacific*, which contain a summary of the dis-

cussions and the data papers presented to the biennial international conferences held by the Institute; and a number of special studies and reference aids. Particularly valuable in this last category is the *Economic Handbook of the Pacific Area* (rev. ed., 1939), edited by Frederick V. Field. The international publications office in New York acts as a clearinghouse for the publications of the eleven constituent national councils. The American Council carries on an extensive publication program of its own, including the fortnightly *Far Eastern Survey*, a research periodical providing basic information on economic problems; the *Studies of the Pacific* series of monographs; and numerous pamphlets on current questions.

INDEX

- Advisory Committee on Social Questions, 210
- Aggression, definition, 600
 - Belgian proposal, 601 n.
 - proposals of M. Politis concerning, 600
 - Soviet Russia adopts, 600
- Agriculture, U. S. Department, 745
- Air Navigation, International Commission, 167
- Alabama* claims, 458
- Albania
 - annexation by Italy, 663-666
 - postwar Italian policy, 308-309
- Alliances, prewar system, 23
- Anglo-Persian Oil Company, 307, 311
- Anti-Comintern Pact, 637
- Antimony, 64
- Anti-Semitism
 - German, 98
 - Italian, 98 n.
- Arbitration. *See also* Justice, Central
 - American Court of; Justice, Permanent Court of International; League of Nations; Geneva Protocol; Locarno, Treaties of
 - in Chaco dispute, 569
 - difficulties, 459-460
 - General Inter-American Treaty, 560
 - Hague Permanent Court, 462
 - in League of Nations Covenant, 484 ff.
 - techniques of, 457
 - United States treaties, 560
 - in Western Hemisphere, 691-692
- Argentina
 - Pan-American policy, 689-690, 692
 - population density, 78
- Armaments. *See also* Geneva Protocol; Locarno, Treaties of; Disarmament; War
 - Anglo-German naval agreement on, 604
 - British view concerning, 540-541
 - Armaments (Cont.)
 - equality in, and Germany, 624
 - French view concerning, 540
 - government manufacture of, 422 ff.
 - League of Nations and, 424, 540
 - Nye Committee on, 420-422
 - private manufacture of, 418 ff.
 - and Spanish belligerents, 634
 - and war, 425
 - "Aryanism"
 - history, 96
 - Nazi theories, 97
 - scientific criticism, 99
 - Asbestos, where produced, 64
 - Athletics, international aspects of, 201-202
 - Australia
 - immigration policy, 83
 - importance of export trade, 226
 - population density, 78
 - Austria
 - Anschluss*, 649-654
 - customs union, 566-568, 649
 - independence and Hitler, 626
 - Kredit-Anstalt failure in, 369
 - postwar financial difficulties of, 358 n., 567 n.
 - protection promised by Allies, 617-618, 651
 - Austria-Hungary, 358
 - Avenol, Joseph, 508
- Baker, Newton D., on the Permanent Court of International Justice, 570 n.
- Balance of payments, 302
- Balance of power, 466
- Banting, Sir Frederick Grant, discovers insulin, 150
- Barthou, Louis
 - assassination of, 615
 - Eastern Locarno proposed by, 614-615
- Barzun, Jacques, on racial characteristics, 95

- Beard, Charles A.
 on Seward's belief in "Manifest Destiny," 134 n.
 on the spread of technological discovery, 148
- Behring, Emil von, discovers serum for diphtheria, 150
- Belgium
 foreign policy affected by location, 49
 linguistic diversity in, 107
 and the Locarno Treaties, 549-550
 and neutrality status, 630-631
 and the Oslo agreement, 388
 population density in, 78
 trade with dependencies, 269
- Benes, Edouard
 and Geneva Protocol, 544
 and mobilization of Czechoslovak army, 658
 and Munich settlement, 662
 resignation of presidency, 662
 and Sudeten problem, 656-658
- Bentham, Jeremy, proposes peace plan, 448
- Berlin, Conferences of, 270-271, 452
 Treaty of, 22
- Binkley, R. C., 19
- Bismarck, Prince Otto von, on tariff policy, 294
- Blum, Leon, policy toward Spanish Civil war, 633-634
- Boas, Franz, on Nazi racialism, 99
- Bodin, Jean
 "divine right" principle formulated, 19
 geographic determinism supported, 42
- Bohemia, German protectorate over, 663
- Bolivia
 antimony production, 63
 and the Chaco dispute, 568-570
 tin export trade, 226
 tin production, 62
- Bottai, Giuseppe, on the civilizing mission of Italy, 136
- Brazil
 coffee export trade, 226
 and permanent seat on League of Nations Council, 552-553
 population density in, 78
- Brest-Litovsk, Treaty of, 469-470
- Briand, Aristide
 cooperation with Germany, 553
 European Union supported by, 563 ff.
 and Greco-Bulgarian dispute, 554
 and the Locarno Treaties, 548-550
 and the Pact of Paris, 555 ff.
 on the Permanent Court of International Justice, 514-515
- Briand-Kellogg Pact. *See* Paris, Pact of
- British Broadcasting Corporation
 organization of, 434
 short-wave broadcasting activities of, 444
- British Empire. *See also* Great Britain; Canada; Australia; and other Dominions
 postwar change of dominion status in, 26
 territorial expansion of, in nineteenth century, 242-243
- Broadcasting Union, International, 180
- Brüning, Heinrich, and the World Disarmament Conference, 596
- Brussels, Conference of, 646
- Bryan-Chamorro Treaty, 464
- Bryan, William J., negotiates peace treaties, 456
- Bulgaria, dispute with Greece, 554-555
- Business, international organization of, 206-207, 233
- Butler, Harold, 518
- Butler, Nicholas M., and Pact of Paris, 556
- Capital exports
 extent of, in nineteenth century, 322-325
 extent of, in postwar years, 338-342
 governmental assistance to, 316
 international political aspects of, 229
 motives for, 305-310
 types of, 310-316
- Canada
 bilingualism in, 109-110
 immigration policy of, 83
 importance of export trade to, 226
 and Pan-Americanism, 650-651
 population density in, 78
- Carpatho-Ruthenia
 annexation of by Hungary, 663

- Carpatho-Ruthenia (Cont.)
 grant of autonomy, 662
- Carr, E. H.
 on the Geneva Protocol, 546
 on the Pact of Paris, 561
- Carr-Saunders, A. M., on population density, 80
- Cartels and combines, international, 233
- Cecil, Lord Robert
 and development of League of Nations, 473, 475, 477-479
 and Draft Treaty of Mutual Assistance, 543
- Chaco, dispute over, 568-570
- Chamberlain, Sir Austen, and regional security, 548-551
- Chamberlain, Houston S., and "Aryan myth," 96
- Chamberlain, Neville
 appeasement policy of, 640
 Czech-German crisis, 659 ff.
 on German absorption of Czechoslovakia, 666
 and German threat to Poland, 667, 673
 visit to Rome, 665
- Charlemagne, 16
- Chiang Kai-shek, Generalissimo, 643-644
- Chili, copper production, 62
- China. *See also* Manchuria
 antimony production, 64
 influence of size upon development of, 55
 Nine-Power Pact and, 537
 protected by external barriers, 56
 tungsten production, 64
 vital statistics deficient, 72
 war with Japan, 642-649
- Chromium, production of, 64
- Churchill, Winston, on Italian withdrawal from League of Nations, 640
- Ciano, Count N. G., 672, 678
- Cinematographic Institute, International Educational, 745
- Cinematography, International Congress of Teaching and Educational, 745
- Clark, J. Reuben, Monroe Doctrine redefined by, 686
- Climate. *See* Temperature; Rainfall, etc.
- Coal, chief producers of, 60
- Colombia, and the Leticia dispute, 570
- Colonies
 economic importance, 268-278
 how acquired, 254 ff.
 and the mandate system, 280-284
 possibilities of international administration, 278-279
- Commonwealth of God, The*, 754
- Communications and Transit Organization, League of Nations, 505
- Communications, International
 development of postal services, 170 ff.
 telecommunications, 174 ff.
- Commercial treaties
 general character, 354-356
 postwar changes, 356-360
- Conciliation
 and Chaco dispute, 568-569
 Inter-American Convention of, 456
 Inter-American Treaty of, 501
 permanent Inter-American Commissions of, 693
 technique of, 454
 United States negotiates treaties of, 560
- Condliffe, J. B., on financial collapse of 1931, 369
- Conferences, International
 growth in post-armistice period, 13
 limits on effectiveness of, 12
 in nineteenth century, 12, 21-22, 451-452
- Congo, Belgian. *See also* Belgium
 treatment of natives, 260
- Consular service
 legal basis and method of organization, 34
 major functions, 37
 ranking of officials, 34
 relations with diplomatic service in United States, 35
- Continental Solidarity, Joint Declaration of, 724 ff.
- Coolidge, Calvin
 on American agricultural problem, 366-367
 on protection of foreign investments, 320
- Coöperation, International
 aided by development of conference method, 12
 attempts at economic, 363-364, 386-389

- Coöperation, International (Cont.)
 cultural in Latin America, 703 ff.
 intellectual, 207-209
 in inter-American relations, 695 ff.
 labor and, 204-207
 League of Nations as an agency for,
 493 ff.
 and marine transportation, 154-155
 for public health, 212-216
 and rail and river transportation, 157-
 158
 and refugees, 211
 for social welfare, 210
 and telecommunications, 174-191
 and World War, 468-473
- Copper
 chief producers of, 62
 current importance of, 62
- Corriere Padano*, denounces Bolsheviks,
 678
- Cory, Helen M., on arbitration, 460
- Cousin, Victor, on geographic influences,
 41
- Crucé, Emeric, peace union proposed by,
 447
- Cuba
 chromium production, 64
 Platt amendment and, 256 n., 686-687
 and sugar trade, 226
- Cultural Relations, Convention for the
 Promotion of Inter-American, 703
- Cultural Relations, Division of, created
 by U. S. State Department, 705
- Currency policies, national
 affected by the depression, 375-377
 postwar, 342-345
- Curtis, Lionel, and peace plan, 754
- Czechoslovakia
 antimony production, 64
 final partition of, 662-663
 linguistic problem in, 36
 and the Locarno treaties, 186
 and Munich settlement, 662
 and mutual assistance pact with Soviet
 Union, 656
 and the Sudeten problem, 655 ff.
- Daladier, Edouard
 and concessions to Italy, 664
 and Munich settlement, 660-662
- Danzig, Free City of
 military activities in, 672-673
 position under peace treaties, 29, 668
 return to Germany, 669, 676
- Davies, Lord David, on international gov-
 ernment, 753
- Davis, Norman H., represents United
 States at Disarmament Conference,
 598
- Dawes, Charles G.
 and Manchurian dispute, 583
 and reparations revision, 334-335
- Defense, national. *See also* Armaments;
 War
 government manufacture of arms, 422 ff.
 private manufacture of arms, 418-422
 world expenditures, 417
- Democracy, as a basis for peace, 740-741
- Denmark, and nonaggression pact with
 Germany, 673
- Desmond, R. W., on government con-
 trols over the press, 433
- Diplomacy and diplomatic intercourse
 conduct of, 34-35
 contributions of Congress of Vienna to,
 9-10
 Greek and Roman contributions to, 33-
 34
 Italian origins of, 18, 33
 methods and procedures of, 38
 organization of Foreign Offices, 36
 ranking of representatives, 34 n.
 relations with consular services, 37-38
 shortcomings of in times of crisis, 39
- Disarmament. *See also* Armaments; War;
 Peace
 and Hitler, 626
 naval conferences on
 at Geneva, 587-588
 at London (1930), 589-590
 at London (1935), 604
 at Washington, 585-587
 postwar work toward, 603
 world conference on
 achievements, 595-601
 Preparatory Commission for, 591-595
- Dollfuss, Engelbert
 and *Anschluss* with Germany, 650
 assassination of, 650

- Dominican Republic*, American intervention in, 685-686
- Dominions*, British. *See also* Great Britain; British Empire; Canada; Australia, and others
 evolution of, 26
- Doumeirah, cession to Italy, 618
- Drago Doctrine, 321-322
- Drummond, Sir Eric, 503
- Dubois, Pierre, proposes peace union, 447
- Dulles, Eleanor L., on the Wall Street crash, 367
- du Pont de Nemours Company, 234
- Eagleton, Clyde, on pacifism, 738
- Economic and Financial Advisory Committee, Inter-American, 703
- Economic nationalism
 arguments for and against, 380-386
 clearing agreements, 378-379
 conclusions on, 384-386
 currency policies and, 375-377
 in early postwar period, 359
 export taxes and, 361-362
 in Nazi Germany, 383-385
 quotas and, 361
 Secretary Hull on, 386
 and Smoot-Hawley tariff, 368
 trade subsidies and, 127
- Eden, Anthony
 appointment to British Foreign Office, 623
 and policy of appeasement, 640
 resignation of, 640
- Education, international aspects of, 198-201, 207-209
- Egypt, and treaty with Great Britain, 636
- Ellsworth, P. T., on economic specialization, 384
- Emigration. *See also* Immigration
 to colonial dependencies, 277
 effects upon international politics, 82
 from Europe, 74, 193
 from Italy, 82-83
- Entertainment, international aspects of, 201
- Esher, Lord, proposes arms limitation plan, 540-542
- Estonia
 and mutual assistance pact with Soviet Union, 681
 and nonaggression pact with Germany, 673
- Economic and Financial Organization, League of Nations, 505
- Ethiopia
 effects of location upon history of, 49
 Italian conquest of, 618-624
- Europe, Concert of, 451
- Exchange, bills of, 300
- Export-Import Bank, 702
- Fairgrieve, J.
 on advantages of British location, 31
 on British climate, 44
- Fascism. *See also* Italy; Germany; Adolf Hitler; Benito Mussolini
 nationalism as an antecedent of, 136 ff.
 use of symbols to promote, 186 ff.
- Ferry, Jules, on colonial policy, 248
- Finance, international. *See* Capital exports
- Finland
 and the Oslo agreement, 388
 war with Soviet Union, 681-682
- Ford, Guy S., on significance of modern science, 192
- France
 and African pact with Italy, 617-618
 and arms equality with Germany, 624
 and Austro-German customs union, 563
 birth-rate trend in, 76
 capital exports, government policy toward, 318
 prewar, 323
 colonial education policy, 267
 and Czech-German crisis, 659-662
 and Eastern Locarno policy, 614
 elections of 1924 in, 544
 expenditures of, in World War, 326-328
 foreign investments, effect of war on, 340
 and the Four-Power Pact, 613
 and the Geneva Naval Conference, 587
 and the Geneva Protocol, 546
 and German coöperation, 554
 and German rearmament, 624-627
 and Hitler's peace offer, 628

France (Cont.)

- infant mortality in, 75
- and Italo-Ethiopian dispute, 621
- and League of Nations, 478-488
- and Locarno Treaties, 548-551
- and the London Naval Conference, 590
- monetary policy of postwar period, 370-373
- and mutual assistance pact with Soviet Union, 616
- and the Pact of Paris, 554-561
- population policy of, government, 91
- population problems and military policy, 82
- and the Preparatory Commission for the World Disarmament Conference, 591 ff.
- and raw materials, 66
- and remilitarization of the Rhineland, 629-630
- river system and history of, 55
- Ruhr occupation, 528
- and Sino-Japanese War, 643, 647
- and Soviet Union, 672
- and Spanish Civil War, 633 ff.
- tariff policy of, 359-360
 - colonial, 71
- territorial expansion in nineteenth century, 243
- trade with dependencies, 269-270
- and the United States of Europe proposal, 563 ff.
- and the Vilna question, 535
- and war on Germany, 674
- and the Washington naval conference, 586
- Franco, Francisco
 - dictator of Spain, 642
 - and Spanish rebellion, 633
- French Revolution, effect upon European state system, 20-21
- Friedrich, Carl J., on democracy and peace, 741
- Gathorne-Hardy, G. M., on the Locarno Treaties, 551
- Gayda, V., on Italian conquest of Ethiopia, 87
- Geneva Protocol, 544-547

- Germany. *See also* Hitler, Adolf
 - and *Anschluss*, 649 ff.
 - and arms equality, 624, 625
 - and arms limitation, 624-627
 - and Austrian customs union, 566
 - and Austrian independence, 626
 - birth-rate trend in, 76
 - and Bohemia, Moravia, and Slovakia, 663
 - capital exports
 - extent of prewar, 324
 - prewar policy toward, 319
 - capital imports, extent of postwar, 340-341
 - currency policy and international trade, 376
 - and Czechoslovakian crisis, 655-663
 - and the Disarmament Conference, 595 ff.
 - and economic nationalism, 383-386
 - and education, 121-122
 - financial crisis in 1931, 368-370
 - Hitler's plan for, 611-612
 - infant mortality in, 76
 - military alliance with Italy, 672
 - Kulturkampf* in, 103
 - League of Nations
 - entrance into, 552-553 ✓
 - offer to return, 626
 - withdrawal from, 602
 - library purge, 122
 - linguistic policy in Bohemia, 107
 - Locarno Treaties
 - adherence to, 548-551, 626
 - denunciation of, 627-631
 - opposition to Eastern Locarno proposal, 615
 - and Memel, 663-664
 - Military Commission, withdrawal from, 554
 - "mobilization" in peacetime, 133
 - and most-favored-nation treatment, 355-356
 - and motion pictures, 125
 - and naval agreement with Great Britain, 604, 626-627
 - Poland
 - demands upon, 669
 - denunciation of nonaggression treaty with, 672

Germany (Cont.)

- Poland, invasion of, 675-676
 - and nonaggression treaty with, 614
 - partition of, 676
 - population growth
 - effect of upon military position, 82
 - encouragement of, 90-92
 - propaganda organization and techniques, 440-444
 - radio broadcasting control, policy of, 433-434
 - raw materials, position of, 68
 - reparations burden imposed upon, 330 ff.
 - river system and history of, 55
 - and the Sino-Japanese war, 646
 - and Soviet Russia, nonaggression pact with, 673
 - and Spanish Civil War, 633 ff.
 - symbols in, 126 ff.
 - tariffs, 349
 - trade, importance of export, 226
 - trade with dependencies, prewar, 269-270
 - trade drive in Latin America, 700
- Geographic determinism, 41-42
- Geopolitik*, 42
- Gobineau, Count Joseph de
- and "Aryanism," 96
 - and geographic determinism, 43
- Goebbels, Paul J., and German need for colonies, 88
- Gold, world production of, 65
- Gold standard, international
- and the 1931 financial crisis, 370-372
 - prewar operation of, 302
 - World War and, 342 ff.
- Gompers, Samuel, 516
- Great Britain
- and arms equality offered to Germany, 624
 - birth-rate trend in, 76-77
 - capital exports
 - government policy toward, 316-318
 - postwar, 338, 340
 - prewar, 332-333
 - commercial policy, 290-297
 - and conscription, 668
 - currency policy, 375-376

Great Britain (Cont.)

- and Czech-German crisis, 659 ff., 666-668
- disarmament conferences
 - naval, 585 ff.
 - world, 591 ff.
- and Egyptian treaty, 636
- empire growth of, 242
- and financial crisis of 1931, 370-371
- food imports, dependency on, 227
- and France, wartime coöperation with, 471-472
- and the Geneva Protocol, 540 ff.
- infant mortality in, 76
- and Italian agreement, 636, 641
- and Italo-Ethiopian dispute, 618 ff.
- and League of Nations, 620
- and League of Nations Covenant, 473 ff.
- and Locarno Treaty, 548 ff.
- monetary policies of postwar period, 343-344
- mutual assistance pacts offered to Poland, Greece, Rumania, and Turkey, 667
- and naval agreement with Germany, 604
- and Pact of Paris, 555 ff.
- and "peace settlements of World War, 159
- population density in, 78
- radio broadcasting control, policy of, 434
- raw materials, position of, 67
- and Rhineland remilitarization, 628-630
- and Sino-Japanese war, 647
- Soviet Russia
 - negotiations with, 667, 672
 - recognition of, 539
 - and Spanish Civil War, 633 ff.
- tariff policy
 - empire preferential, 353, 387-388
 - postwar, 360-361, 377
- trade
 - importance of empire, 269-270
 - importance of export, 226
- war debt settlements, policy toward, 331-336
- war declared upon Germany, 674

- Great Britain (Cont.)
 World War, expenditures in, 326-327
- Great Powers, population and area of chief, 28
- Greaves, H. R. G., on tin-production control, 69
- Greece
 dispute with Bulgaria, 554-555
 and mutual assistance pact offered by Great Britain, 667
- Grey, Sir Edward, on British policy toward capital exports, 316, 317
- Grotius, Hugo
 on war, 9-10
 on sovereignty, 19
- Günther, Hans, on Nazi racialism, 96 n.
- Hague Conference (1899)
 arbitral court, 461 ff.
 arbitration, 461
 conciliation, 454
 mediation, 454
- Haiti, American intervention in, 685-686
- Halifax, Lord
 visit to Rome, 665
 and Polish government in Danzig crisis, 672-673
- Harding, Warren G.
 and disarmament conference, 586
 on the League of Nations, 533
- Hayes, Carlton J. H.
 on Mazzini, 139
 defines nationalism, 94
 on nationalism and race, 99
 on effects of liberal nationalism, 144
- Health Office, International, 11
- Health Organization, League of Nations, 505
- Henderson, Sir Nevile, 673
- Henlein, Konrad, 656
- Herriot, Edouard, 544, 597
- Hippocrates, 41-42
- Historical Sciences, International Congress of, 743
- Hitler, Adolf
 on Allied propaganda in World War, 436
 and annexation of Austria to Reich, 653-654
 and Austrian independence, 626
- Hitler, Adolf (Cont.)
 and arms limitation, 625
 and Bohemia and Moravia, 663
 and British Empire, offer of protection to, 673
 and colonies, 87-88
 and conference with Chamberlain on Czech problem, 659-660
 foreign policy
 basic characteristics of, 611-612
 technique, 612-613
 frontiers, reiterated satisfaction with existing, 628
 on the League of Nations, 611
 League of Nations, referendum on withdrawal from, 602
 and *Lebensraum*, 91
 Locarno Treaties
 adherence to, 626
 denunciation of, 627-628
 and proffered nonaggression pact, 628
 Memel, 663
 and Munich settlement, 661-662
 and naval treaty with Great Britain, 626-627
 and peace pact proffered to France and Poland, 602
 and Polish right to sea outlet, 668-669
 on "superior" peoples, 735
 as a symbol to the nation, 131
- Hoare, Sir Samuel
 and collective security, 620
 resignation from cabinet, 623
- Holland. *See* The Netherlands
- Holy Alliance, 451
- Holy Roman Empire, 16
- Hoover, Herbert
 and debt moratorium, 369
 and naval disarmament, 589
 and postarmistice economic coöperation, 473
 and the World Disarmament Conference, 596
- Hornaday, W. T., 436
- Hughes, Charles E.
 and League of Nations, 533, 534
 and Washington Conference, 586
- Hull, Cordell
 on economic nationalism, 286

- Hull, Cordell (Cont.)
 Latin American trade policy of, 700
 on neutrality, 717
 on nonintervention in Spain, 688
- Hungary
 government policy of, toward foreign trade, 358, 361
 signs Rome protocols, 388
- Hunter, E. L., defines patriotism, 116-117
- Immigration. *See also* Emigration
 American policy, 83
 policy of British dominions, 83
- Imperialism
 development of, in nineteenth century, 241 ff.
 effects
 upon mother country, 268 ff.
 upon native races, 258 ff.
 evils of, attempts to avoid, 278 ff.
 extent of world empires, 244
 Marxist interpretation of, 245
 motives for, 246 ff.
 Mussolini on, 245
 nationalism, influence of, 252
 techniques of, 254 ff.
- India, as a producer of raw materials, 62-63
- Indies, Dutch East, 62, 65
- Inquiry, Commission of
 in Chaco dispute, 565
 for European Union, 565
 in Manchurian dispute, 577 ff.
- Intellectual Coöperation, League of Nations International Institute for, 505
- Interdependence, economic, 225 ff.
- International Affairs, Royal Institute of, 119
- International government
 and the colonial problem, 765
 possible functions of, 749-750
 recent developments toward, 750-751
 recent proposals for, 754-758
 reform of League of Nations as a basis for, 765 ff.
- Internationalism
 cultural, 218-224
 economic, 771 ff.
 nonpolitical, 194-216
- Iran
 Anglo-Russian agreement concerning, 255
 Russian financial policy toward, 309
 petroleum production, 65
 vital statistics, deficiencies in, 72
- Irish Free State, linguistic policy of, 107
- Iron, chief producers of, 60
- Italy
 and Albania
 annexation of, 665-666
 financial policy toward, 308-309
 and the Anti-Comintern Pact, 637
 and Austria, 651 ff.
 and the Corfu incident, 538
 and the Czech-German crisis, 661
 and empire, 136
 and the Ethiopian conquest, 618 ff.
 and the Fiume problem, 537-538
 and the Four-Power Pact, 613
- France
 African pact with, 617-618
 dispute with over Mediterranean, 664
 Germany, military alliance with, 672
 Great Britain, agreement with, 636, 641
 and the League of Nations, 482, 637-638
 and the Locarno treaties, 550
 population density in, 78
 population growth, 92
 population pressure and foreign policy of, 84, 87
 propaganda techniques, 440 ff.
 radio broadcasting control, policy, 434
 raw materials, position of, 68
 shape, influence of upon history, 56
 and the Spanish Civil War, 633 ff.
 symbols in, 130-131
 trade
 with dependencies, 269-270
 regional agreements, 388
 and Yugoslavian pact, 637
 and war of 1939, 676-678
- Japan. *See also* Manchuria
 export trade, dependence upon, 226, 269
 and League of Nations, 482-483
 location
 effects of upon economy, 56

- Japan, location (Cont.)
 effects of upon foreign policy, 50
 and migration restrictions, 88
 and naval arms limitation, 585 ff.
 "Panay" incident, 714
 population
 and commercial policy, 85-87
 density in, 78
 government policy, 91
 growth in, 84
 propaganda efforts of, 438
 war with China, 642-648
- Jay treaty, 457
- Justice, Central American Court of, 463-464
- Justice, Permanent Court of International and the Austro-German customs union
 proposal, 567
 Briand, Aristide, on, 514-515
 judges of, 511
 H. Lauterpacht on, 515
 origins of, 509-510
 and U. S. refusal to join, 570 ff.
- Kant, Immanuel, proposes peace plan, 449
- Kellogg, Frank B., and the Pact of Paris, 555 ff.
- Keynes, John M., on prewar economic internationalism, 235
- Killough, H. B.
 on air transportation, 166
 on ocean shipping, 155
- Knight, M. M., on economic value of colonies, 275
- Kohn, Hans, on fascist nationalism, 145
- Korea
 effects of location upon history of, 50
 molybdenum production, 63
- Labor
 problem of native, in Africa, 260 ff.
 international organization of, 204-206
- Labor Organization, International
 branch offices, 518-519
 evaluation of, 523-525
 governing agencies, 518
 membership in, 517
 methods of operation, 520-523
 objectives, 519-520
- Labor Organization, International (Cont.)
 origins, 516
 Secretariat, 518
- Laissez faire, theory of, 292
- Lamas, Carlos Saavedra
 author of anti-war pact, 691
 and permanent Inter-American Consultative Committee, 692
- Language
 as a basis of nationalism, 105 ff.
 world's major groups, 106 n.
- Lasswell, H. D.
 on nationalism and movements for independence, 139
 on stereotypes, 124
- Latvia, signs mutual assistance pact with Soviet Union, 681
- Lausanne, Treaty of, 536
- Lauterpacht, H., on Permanent Court of International Justice, 515
- Laval, Pierre, concludes pact with Mussolini, 617-618
- Law, international
 codification of, movement for, 693
 nature and development of, 11-12
 nineteenth century progress, 467
 and rules of warfare, 19
- League of Nations
 Administrative Services of, 502
 Advisory Committee on Social Questions, 210
 and armaments reduction, 540 ff.
 and the arms traffic problem, 419
 Assembly of, 455 ff.
 and the Austro-German customs union, 566-567
 and broadcasting, 746-747
 budget of, 492
 in Chaco and Leticia disputes, 568
 China appeals to, 645
 Communications and Transit Organization of, 169
 Council of, 497 ff.
 Covenant revision, movement for, 758 ff.
 deficiencies of, 12-13, 731
 and disarmament, 591 ff.
 and the General Act of Pacific Settlement, 559
 Germany admitted, 551-552

League of Nations (Cont.)

- Germany withdraws from, 602
- Germany offers to return to, 626, 628
- and German remilitarization of the Rhineland, 630
- and Greco-Bulgarian dispute, 554
- Health Organization of, 212
- historical background of, 468-488
- history textbooks and, 743
- as an instrument for international co-operation, 493 ff.
- Intellectual Coöperation Organization of, 208
- Italy withdraws from, 637-638
- and Japanese aggression in Manchuria, 574 ff.
- languages used by, 111 n.
- and the Locarno Treaties, 548 ff.
- Mandate system, 280
- membership in, 450
- W. E. Rappard on, 494
- refugees, work for, 210
- sanctions imposed upon Italy, 622
- Secretary General of, 508
- and the Silesian problem, 537
- George Slocombe on, 508-509
- and the Soviet Union, 540, 616, 682
- and the Spanish Civil War, 635
- technical organizations of, 505
- United States' coöperation with, 534
- United States' rejection, consequences of, 526
- and the United States of Europe proposal, 191-192
- and the Vilna dispute, 535
- what it is not, 489 ff.
- Leaseholds, 256
- Lenin, N., on imperialism, 245
- Leticia dispute, 570
- Levinson, S. O., and the Pact of Paris, 555
- Lima, Declaration of, 689
- Lithuania
 - Memel ceded to Germany, 663-664
 - mutual assistance pact with Soviet Union, 681
 - Poland, dispute with, 535, 663
- Litvinov, Maxim
 - Molotov, succeeded by, 672
 - and nonaggression pacts, 600-601

Litvinov, Maxim (Cont.)

- and permanent disarmament organization, 602
- and the Preparatory Commission, 592
- and World Disarmament Conference, 596
- Lloyd George, David, on World War settlements, 475, 480 n.
- Locarno, Eastern, 615
- Locarno, Treaties of
 - and Hitler, 626, 627-628
 - provisions of, 548-551
- Location, influence upon international politics, 48-52
- Lodge, Henry Cabot
 - League to Enforce Peace supported, 473
 - League of Nations supported, 529
- Ludlow amendment, 715
- Lukouchiao, 644
- Lytton Commission, 577
- MacDonald, Ramsay
 - disarmament plan proposed, 597
 - and the Geneva Protocol, 543
 - President Hoover, conference with, 589
- Machiavelli, Nicolo, contributes to theory of sovereignty, 18
- Madariaga, Salvador de
 - on the Manchurian dispute, 584
 - on nationality, 115
 - on pacifism, 737
 - on world solidarity, obstacles to, 7
- Mair, Lucy P., on native education policy, 267 n.
- Manchuria, Sino-Japanese dispute over, 574 ff.
- Mandates system
 - origins of, 476-477, 479
 - possible future development of, 766-767
- Manganese, where produced, 63
- Maritime Transport Council, Inter-Allied, 472
- Maritime Transport Executive, Allied, 472
- Mayer, Carl, on nationalism and democracy, 140
- Mazzini, Giuseppe, on nationalism, 139
- Mediation, technique of, 453
- Memel, ceded to Germany, 663-664
- Mencken, H. L., on patriotism, 117

- Mercantilism, theory of, 291-292
- Mercury, where produced, 63
- Merriam, Charles E.
 on achievements of modern science, 151
 on church-state relations, 99-100
 on education and peace, 742
 on national languages, 106
 on schools as inculcators of nationalism, 118-119
- Mexico
 peace code proposed by, 693
 petroleum properties expropriated, 687
 as a raw material producer, 63-64
- Milner, Lord, on native labor, 262-263
- Minorities, 762-763
- Molotov, V. M.
 becomes Foreign Commissar, 672
 non-aggression pact with Germany, 673
- Molybdenum, where produced, 63
- Monroe Doctrine
 Clark memorandum on, 686
 and the Declaration of Lima, 690
 unilateral character of, abandoned by United States, 688
- Moravia, Germany assumes protectorate over, 663
- Morrow, Dwight W., 686
- Most-favored-nation clause, 354-356
- Motion pictures
 cultural internationalism and, 222
 government controls over, 433
 nationalism, influences upon, 123-124
 as peace agencies, 745
 as propaganda agencies, 442
- Müller, Max, and the "Aryan myth," 96 ff.
- Mun, Thomas, on foreign trade, 287
- Munich, Agreement of, 661-662
- Munitions Control Board, National, 710
- Mussolini, Benito. *See also* Italy
 Albania annexed, 665-666
 Ethiopia, conquest of, 618-624
 Four-Power Pact, 613
 France, agreement with, 617-618
 on imperialism, 245
 on Italy's population needs, 90
 Munich meeting arranged, 661-662
 on war and empire, 136
- Nansen, Fridtjof, work concerning refugees, 210
- Nationalism
 C. J. H. Hayes on, 144
 H. Kohn on, 145
 and imperialism, 82, 136
 "integral" proponents of, 141
 liberal and fascist, distinction between, 138-143
 C. Mayer on, 140
 G. Mazzini on, 139
 motion picture influences on, 124
 and patriotism, 116-118
 press influences on, 122
 radio influences on, 125
 schools, inculcated by, 118-122
 in Soviet Russia, 138
 symbols and social myths, their influence upon, 126 ff.
 and war, 128-129, 132
- Nationality
 as a cultural composite, 113-116
 fundamental importance of, 93
 linguistic basis of, 105-113
 racial basis of, 94-99
 religious basis of, 99-105
- National Socialism, German. *See also* Germany; Adolf Hitler
 Christianity, conflict with, 103-104
 and European peace, 734
 and the "historic mission" of Germany, 137
 and history teaching, 120, 122
 racial doctrines of, 97-99
 rise of, 123
 the state, concept of, 137 ff.
 symbols, use of, 129 ff.
- Netherlands, The
 and the Oslo agreement, 388
 population density in, 78
 trade with dependencies, 273
- Newbigin, M. I., on effects of Balkan topography, 54
- New Zealand
 export trade, dependence on, 226
 immigration policy of, 83
 length of life in, 76
 population density in, 78
- Nicaragua, American intervention in, 686
- Nickel, where produced, 62

- Nicolson, Harold
 on origins of diplomatic intercourse, 33
 on Woodrow Wilson and the Paris Peace Conference, 480 n.
- Nobel prizes, 218
- Nonaggression, pacts of
 offered by Germany, 602
 between Germany and Soviet Russia, 673
 Russo-Finnish pact of, 682
 negotiated by Soviet Russia, 559
- Nonalienation agreement, 256
- Nonintervention Committee, International, activities of, concerning Spanish Civil War, 634 ff.
- Norway
 molybdenum production, 63
 and the Oslo agreement, 388
- Nye Committee, 420-422
- Odegard, Peter, on influences of motion pictures, 123 n.
- Ogburn, W. F.
 on progress of modern invention, 146 n.
 on war in modern society, 133
- Opium Commission, International, 11
- Orchard, J. E., on Japanese meat consumption, 69 n.
- Oslo, Protocol of, 388
- Oxford "Pledge," 736
- Panama, General Declaration of, 724-726
- Pan-American Conferences
 Eighth Conference (1938), 689
 Fifth Conference (1923), 688
 for the Maintenance of Peace (1936), 688
 Seventh Conference (1933), 688
- Pan-Americanism
 economic and cultural foundations of, 697
 historical development of, 688-696
- Pan American Union
 Lima Conference and, 696
 origin and functions, 694-695
- "Panay" incident, 714
- Paraguay, the Chaco dispute, 568-570
- Paris, Pact of (Cont.)
 origins of, 555-556
 provisions of, 557
 the Sino-Japanese war, 645
- Pasteur, Louis, scientific discoveries of, 150
- Patriotism. *See* Nationalism
- Peace. *See also* League of Nations; Conciliation; Mediation; Geneva Protocol; Locarno; Disarmament
 arbitration, adjudication and, 457-465
 collective security and, 767 ff.
 colonial problems and, 765 ff.
 conference method and, 450-453
 democracy and, 739-742
 economic internationalism and, 771 ff.
 education and, 742
 international government and, 749 ff.
 League of Nations reform and, 758-765
 League to Enforce, 473
 mediation, conciliation and, 453-457
 motion pictures and, 745
 nineteenth century "system" of, 465-467
 pacifism and, 737-738
 press and, 744
 problem of, in 1919, 468 ff.
 quest for, 447-450
 radio and, 746-747
 sanctions and, 768-770
 system, essential features of, 733
 totalitarianism and, 734-736
- Peaceful change, 483, 764
- Penn, William, proposes peace union, 447-448
- Pernot, Georges, on French natality, 82
- Persia. *See* Iran
- Peru
 the Leticia dispute, 570
 produces silver, 64
 produces vanadium, 63
- Petroleum
 Anglo-Persian Oil Company, 311
 modern importance of, 64
 where produced, 65
- Phelan, E. J.
 on League of Nations administrative services, 503 n.
 on Albert Thomas, 518 n.
- Plebiscites, in Upper Silesia, 537
- Poland
 dispute with Germany, sources of, 668

Poland (Cont.)

- and Eastern Locarno plan, 615
- and Hitler's demands, 669
- Germany, invaded by, 675-676
- Lithuania, struggle with, 535-536
- and the Locarno Treaties, 550
- mutual assistance pact offered by Great Britain, 667
- and non-aggression treaty with Germany, 614
- partitioned by Germany and Soviet Russia, 676
- and permanent seat on League Council, 552
- struggle with Soviet Russia, 535
- and the Upper Silesian settlement, 537

Politis, M.

- aggression, definition of, 600
- Geneva Protocol, assists in drafting, 544

Population

- continental densities, 72
- difficulties in estimating excessive, 80
- growth in, causes of, 75
- growth of, in Europe, 72-74
- growth of, government policy concerning, 89-92
- infant mortality and, 75
- migration effects of, 82-83
- national military policies, effects on, 81-82
- pressure, areas of high and low, 78
- probable trends in future growth of, 77-78

Postal Union, Pan-American, 695

Postal Union, Universal, 171

Potash, where produced, 65

Potter, Pitman B.

- on League of Nations Assembly and Council, 501
- on League of Nations Information Section, 507
- on technique of mediation, 453
- on Wal Wal inquiry, 619

Press

- government controls over, 432-433
- influences upon nationalism, 122-123
- and peace, 744

Propaganda

- government control of, 432-434
- historical development of, 429-430

Propaganda (Cont.)

- as an instrument of foreign policy, 440-444
- in modern war, 434-440
- motion pictures and, 430-431
- newspapers and, 430
- radio and, 431
- Protectorates, 257
- Public Works Committee, International, 774

Quotas

- increased by depression, 377-378
- postwar import, 361

Radio broadcasting

- foreign policy, use in, 443-444
- government controls over, 433-434
- influence upon nationalism, 125
- as an instrumentality for peace, 746-747
- international regulation of, 182-186
- number of receiving sets, 186 n., 431

Rado, Alexander, on international air lines, 164

Rainfall, importance to civilization, 45-46

Rappard, W. E., on the League of Nations, 494

Ratzel, Friedrich

- on character of sea peoples, 56
- on geographic determinism, 42

Rauschnig, Hermann, on Nazism and peace, 734

Raw materials. *See also* Coal; Iron, etc.

- and capital exports, 307
- colonies as sources of supply, 274
- foreign ownership of, 68
- and political power, 58-59
- position of great powers concerning, 66-68
- present problems concerning, 772-773
- world distribution of, 60-66

Reciprocal trade agreements, 391-393, 700

Refugee problems, 210

Religion

- adherents to major faiths, 102
- and imperialism, 252
- international denominational organization, 102
- and nationalism, 99 ff.
- Nazi policy concerning, 165

Religion (Cont.)

Soviet policy concerning, 103

Renan, E., on nationality, 113

Reparations

Dawes plan, 334

Lausanne Conference and, 372

origins and nature, 330 ff.

Young plan, 365

Rhineland, remilitarization of, 627-631

Ribbentrop, Joachim von, negotiates pact
with Soviet Russia, 673

Riga, Treaty of, 535

Roma Fascista, on the future of fascist
Italy, 136

Roman empire, government of, 15-16

Rome Protocols, 388

Roosevelt, Franklin D.

and Canada, 690

on disarmament and economic peace,
598

and "good neighbor" policy, 685

on hemispheric peace, 706

Mussolini and Hitler, communication
to, 669

on modern warfare, 402

neutrality, attitude toward, 717-719

and neutrality proclamations, 719-720

and "quarantine" policy for aggressors,
645and the World Economic Conference,
387

Roosevelt, Theodore

and Anglo-American arbitration, 460

and League to Enforce Peace, 473

and military sanctions, 473 n.

Root, Elihu, and the World Court, 572

Rosenberg, Alfred

and Nazi racialism, 97

and neo-paganism, 104

Rousseau, Jean Jacques, proposes peace
plan, 448Rubber, foreign ownership of production,
69

Rumania

mutual assistance pact offered by Great
Britain, 667

petroleum production, 65

Russia

Baltic states, policy toward, 681

diplomatic ranks abolished, 10 n.

Russia (Cont.)

Finland, war with, 681-683

foreign policy, basis of, 678-680

France and Great Britain, negotiations
with, 667, 672

Germany, recognized by, 539

and the League of Nations, 539, 616, 682

linguistic policy of, 110

mutual assistance pact

with Czechoslovakia, 656

with France, 616

nationalism, development of, 138

non-aggression pact with Germany, 673

non-aggression pacts, divers, 600-601

and the Pact of Paris, 559

and Poland, 535, 676

population density in, 78

the Preparatory Commission, work in,
592

raw materials, position of, 67

religious policy of, 103

and the Sino-Japanese war, 646

and the Spanish Civil War, 633

and the United States of Europe pro-
posal, 566

and world peace, 735-736

Russia, Tsarist

size of, 55

Near Eastern policy of, 22, 49

policy toward Persia, 309

Saar plebiscite, 500

Saint-Pierre, Abbé, proposes peace union,
448Salter, Sir Arthur, and inter-Allied war
coöperation, 472

Sanctions

Covenant revision and, 760

France, policy toward, 483-484

and the Geneva Protocol, 545-546

Italy, application to, 621 ff.

League of Nations Covenant, provi-
sions in, 499

mineral, 768-769

obligation to apply, 630-631

supported by Theodore Roosevelt,
473 n.

Sanitary Bureau, Pan-American, 655

Schlesinger, A. M., on American school
historics, 120

- Schuschnigg, Kurt, and the *Anschluss* with Germany, 651-655
- Schwimmer, U. S. v.*, 132 n.
- Security, Collective. *See also* League of Nations; Geneva Protocol; Locarno Treaties; United States of Europe; Panama, Declaration of; Manchuria and disarmament, 595 ff.
- French policy toward, 483-484
- and Great Britain, 620
- future development of, 767 ff.
- and maintenance of the *status quo*, 731
- Semiprotectorate, 256
- Seton-Watson, R. W., on the United States and the League of Nations, 527
- Shotwell, James T.
- and the Geneva Protocol, 544
- on modern invention, significance of, 146
- and the Pact of Paris, 535
- on the Paris peace conference, 479-480
- Silver, world production of, 65
- Simon, Sir John, visits Hitler, 625, 626 n.
- Slavery, League of Nations Advisory Committee on, 505
- Slocombe, George, on the League of Nations, 508-509
- Slovakia
- and autonomy, 662
- and independence, 662
- and German protectorate, 663
- Sly, J. F., on postal services, 171
- Smuts, Jan C., contributes to League of Nations, 476-477
- Social Questions, League of Nations Advisory Committee on, 505
- South Africa, Union of
- immigration policy of, 83
- linguistic diversity in, 107
- population density in, 78
- South Manchurian Railway Company, 311-312
- Southworth, C., on economic value of French dependencies, 276
- Sovereignty
- and air transportation, 169
- and the balance of power system, 465-467
- chief characteristics of, 7
- contributions of Machiavelli and Bodin to the theory of, 18-19
- Sovereignty (Cont.)
- limited possession of, by some states, 33
- Reformation, effects of, 18
- Spain
- civil war in, 632 ff.
- lead and mercury production, 63
- and permanent seat on League of Nations Council, 552
- Spatari, Carlo, invents new code language, 113 n.
- Spheres of influence, 255
- Stalin, Joseph
- Baltic states, policy toward, 681
- Finland, war against, 681-683
- Germany, policy toward, 679
- Munich settlement, attitude toward, 679
- State system
- eighteenth century influences upon, 20
- feudal contributions to, 17
- reformation, effect of, 18
- Roman backgrounds of, 15
- situation today, 26-33
- after Waterloo, development of, 21 ff.
- Treaty of Westphalia, effects of, 19
- Steed, H. W., on the appeal of war, 398 n.
- Stimson, Henry L.
- on fascism, 734
- Latin American policy of, 685
- and Ludlow amendment, 715
- Manchurian dispute, role in, 582-583
- on the Pact of Paris, 401-402
- Stone, W. T., on defense costs, 417
- Streit, Clarence K., proposes union of democracies, 754-758
- Stresa, international conference at, 625, 651
- Stresemann, Gustav
- cooperates with France, 553
- on enlightened nationalism, 748
- and the Locarno treaties, 548 ff.
- Suez Canal, 313
- Sugar Council, International, 233
- Sully, Duc de, proposes peace union, 447
- Sulphur, where produced, 65
- Sweden
- infant mortality in, 75
- and the Oslo agreement, 288
- Supreme War Council, Inter-Allied, 471

- Switzerland
 linguistic differences in, 107
 and sanctions, 630
 Syrov, Jan, 661
- Taft, William H.
 and arbitration, 460
 and League to Enforce Peace, 423
 and League of Nations, 529
- Tangier, 279
- Tariffs
 colonial, 271
 general discussion of, 348-354
 laissez faire, effect of, 293-295
- Technology, importance of developments in, 149-152
- Telecommunications, importance of developments in, 174-191
- Telecommunications Union, International, 182
- Temperature, 44
- Thomas, Albert, 518
- Times, New York*, on shrinkage of the globe, 165
- Tin
 chief producing areas, 62
 production control, 69
- Tin Committee, International, 233-234
- Tirana, treaties of, 665
- Topography, 52-57
- Tourist traffic, 194-198
- Trade, international
 barriers, postwar, 356 ff.
 depression, effect of, 374
 development of, in nineteenth century, 292 ff.
 and economic nationalists, 380-386
 and the German drive in Latin America, 700
 in Great Britain, early attitude, 290-291
 how financed, 298 ff.
 obstacles to, 287-290
 postwar trends in, 345
 and reciprocal trade agreements program, 390-393
 Van Zeeland report concerning, 388-389
- Transportation
 air, 159
 inland, 155
 marine, 152
- Tungsten, where produced, 63
- Tunis, problem of Italians in, 617, 664
- Turkey, Ottoman
 Great Britain, protected by, 49
 influences of topography upon, 54
- Turkey, postwar
 alphabet changed, 107
 chromium production, 64
 and mutual assistance pact, 667
 religious policy of, 105
 "westernization" program, 220
- Union Now*, 754-758
- United States
 and arbitral settlement, 153, 154, 457, 460
 arbitration, treaties of, 580
 arms embargo repeal, 716
 balance of payments, 303
 capital exports
 government policy and, 319, 320, 322
 postwar, 339-341
 prewar, 324
 and Central American Court, 464
 and the Chaco dispute, 568-569
 and conciliation, 455
 and Division of Cultural Relations, 705
 export trade, importance of, 226, 297
 foreign trade, character of postwar, 347
 "good neighbor" policy of, 685
 and Hague Court, 462-463
 history teaching in, 121
 infant mortality in, 75
 Inter-American Peace, policy toward, 691
 and International Labor Organization, 517
 and Japan as treaty violator, 645
 Latin-American trade policy, 700-701
 League of Nations
 coöperation with, 534
 membership rejected, 526-533
 location, effects of, 50-52
 and the London Naval Conferences, 589-590, 604
 Ludlow amendment, 715
 and Manchurian dispute, 576 ff.
 military expenditures, current, 723
 monetary policy, postwar, 343
 neutrality policy
 background of, 707 ff.
 in European war, 718

- United States, neutrality policy (Cont.)
 existing act, provisions of, 719-720
 1937 act, provisions of, 711 ff.
 in Sino-Japanese war, 713
 and the Pact of Paris, 555-563
 "Panay" incident, 714
 and partition of Poland, 676
 population density in, 78
 and the Preparatory Commission, 591 ff.
 radio broadcasting control, policy, 145
 raw materials, position of, 66-67
 reciprocal trade program, 389-391
 and Sino-Japanese war, 646-649
 Smoot-Hawley tariff, 368
 trade with dependencies, 269-270
 Wall Street crash, 367-368
 war debt collection policy, 335-338, 373-374, 473 ff.
 war loans to Allies, 329
 War of 1939, policy toward, 721 ff.
 and the Washington conference, 585-587
 and World Court, 570-573
 and the World Disarmament Conference, 596 ff.
 at World Economic Conference, 387
 World War, costs of, 407, 408-409
 United States of Europe, Briand project for, 563-566
- Vatican City, position of, 32
 Versailles, Treaty of. *See also* Reparations; League of Nations
 background of, 468 ff.
 disarmament provisions of, 624-627
 Rhineland provisions of, 627-631
 Vattel, on brutality in war, 410-411
 Vilna, dispute over, 535
- Wallas, Graham, on war, 728
 Wal Wal, conflict at, 619
- War
 armaments as a cause of, 425-427
 attitudes toward, 397-398
 changes, recent, in character of, 398-406, 414-416
 changes, recent, in methods of, 134, 138-139
 costs of
 1914-1918, 326-327, 406 ff.
 War, costs of (Cont.)
 financial, 406-409
 political, 410-412
 social, 409
 expenditures for national defense, 417-418
 as instrument of national policy, 8
 nationalism and, 133-135, 730
 Nazism and, 734
 propaganda and, 434-440
 psychological causes of, 729
 totalitarian concept of, 412-413
 War (1939-), 674-698
 Washington Conference, 585-587
 Washington, Treaty of, 458
 Watson, T. J., on costs of modern warfare, 407
 Weights and Measures, International Bureau of, 11
 Welles, Sumner, on inter-American cultural relations, 703-704
 Westphalia, Treaty of, 19
 Wheeler-Bennett, J. W., on Soviet-Nazi pact, 680
 Wilson, Woodrow
 and the League of Nations, 476 ff.
 and the war settlements, 473-476
 Winant, John G., 518
 World Court. *See* Justice, Permanent Court of International
 World War (1914-1918). *See also* Reparations
 armies engaged in, size of, 406
 costs of, 326-337, 406 ff.
 diplomatic background of, 465-467
 international law and, 410-413
 losses of life in, 406
 propaganda in, 434-440
 Sir Alfred Zimmermann on, 467
 Zimmerman, E. W., on mineral importance of Atlantic area, 59
 Zimmermann, Sir Alfred
 on Allied war cooperation, 472
 on duties of a foreign minister, 36-37
 on the Geneva Protocol, 547-548
 on international interdependence, 5
 on the World War, 467

Supplementary Pamphlet
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by

WALTER R. SHARP

PROFESSOR OF GOVERNMENT
COLLEGE OF THE CITY OF NEW YORK

GRAYSON KIRK

ASSOCIATE PROFESSOR OF GOVERNMENT
COLUMBIA UNIVERSITY

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THE WAR OF 1939

Western Theater (see pp. 676 ff.). In the months following the collapse of Polish military resistance and the subsequent partition of that country between Nazi Germany and the Soviet Union the war seemed to settle down into a stalemated condition in which the only military action was an occasional isolated sea encounter or a skirmish between the occupants of the Maginot Line and the German Westwall. Superficially, at least, the war remained thus in the doldrums all during the winter months. From both sides bellicose statements were plentiful, and there was an occasional verbal blast of warning from Signor Mussolini, but there was no action. This lull, which irritated sensation-eager Americans, lasted until the first week in April, 1940, when the storm broke in full fury and in an almost wholly unexpected quarter.

It had been known for some time that the British were extremely desirous of interrupting the flow of Swedish iron ore which was being shipped out of the Norwegian port of Narvik in boats that crept southward along the Norwegian coast, hugging the shore so closely that they were able to remain within territorial waters during a large part of the voyage to Germany. Consequently, there was no great surprise when the British government announced, 7-8 April, that the Admiralty had laid down extensive mine fields along the coast within Norwegian territorial waters. The Oslo government hastily protested against this violation of international law, and the Netherlands government, with an eye to its own future dangers, joined in the protest.

The following morning, 9 April, the Nazi government struck quickly and without warning. Alleging as a pretext that the Allies were preparing to use the Scandinavian states as bases for a southern thrust, the Nazi high command sent troops pouring over the frontier into Denmark and launched a simultaneous attack upon Norway. In the face of a completely hopeless struggle the Danish king ordered his people not to attempt any resistance but to make the best of this harsh blow dealt by a ruthless and powerful neighbor. In Norway there was momentary incredulity, and initial moves of resistance were greatly hampered by the treachery of numerous officials who gave the world a demonstration of the utility to an invader of a well-organized "Fifth Column" of spies, traitors, and saboteurs.

Even ~~so~~ strong Norwegian resistance did develop in the interior; and

both British and French troops were hurriedly despatched to Norway to help combat the invader. Lacking air bases, planes, and adequate supplies, this Anglo-French force was never able to overcome its initial handicap and its record was one of steady reverses relieved only by the success of a British naval expedition in annihilating a strong German naval force in Narvik harbor. Fighting continued throughout the month but the situation became steadily worse for those who were attempting to resist the Nazis, and it was obvious before long that, except as a delaying action, the further continuance of fighting was useless. British troops were evacuated to England during the first week in May, and the Norwegian forces soon abandoned the unequal fight.¹

In England the Chamberlain government fought its way through a bitter two-day debate in the House of Commons, 7-8 May, but although it had a slim majority of 81 in the final vote, not even the most ardent supporter of the government could overlook the fact that approximately 130 members of the Conservative party had failed to take part in the voting. To all except the most obtuse supporters of the government, it had become quite clear that the public demanded the formation of a national government guided by someone who could supply a more dynamic type of leadership than that which had come from the increasingly discredited prime minister. When the Labor party leaders flatly refused to enter any cabinet under his leadership Mr. Chamberlain had no alternative but to give up his office to Winston Churchill, the one man to whom all England turned in this time of peril. Plunging into his task with characteristic energy, the new prime minister re-formed the government and won an unanimous vote of confidence in the Commons, 13 May, even though in his initial statement he warned his people that he had little to offer them but "blood and toil and tears and sweat."

It was not the Norwegian fiasco alone which precipitated the cabinet crisis in London. Rather it was a new phase of the war, one which was grim and ominous. On 10 May, the day before Mr. Chamberlain's resignation, the Nazis struck again, this time launching a simultaneous invasion by fast mechanized forces into Belgium, Luxembourg, and The Netherlands. In this bewilderingly sudden attack upon these tiny neighboring neutrals the Nazi government made use of the same justification that had been used a month before in the case of Norway and Denmark, namely, that the discovery of Anglo-French plans to invade these same states and use them as invasion bases had forced the German authorities to act summarily in self-defense. Once again the world had evidence of the ingenuity and care which had been used in the elaboration of invasion plans. Transport planes

¹ For one firsthand account of the Norwegian invasion see C. J. Hambro, *I Saw It Happen in Norway* (New York, 1940).

rained parachute troops from the skies, and the dreaded *Stukas*, or dive bombers, screamed down over defenseless cities to discharge their burdens of death and destruction upon the helpless civilian multitudes. Powerful mechanized units smashed their way through crumbling defenses with an almost uncanny speed and efficiency, leaving behind them a path which could be quickly seized and easily held by supporting troops.

Holland withstood this assault for five days but, after appallingly heavy losses among the ranks of the Dutch defenders of their fatherland, it was admitted that further sacrifice was useless. The Royal household fled to England and the troops were ordered to cease resistance.² In Belgium the same course of events was taking place. The German drive through the Ardennes proceeded with almost unbelievable rapidity, and dazed Belgian resistance, complicated by widespread "Fifth-Column" activity, proved powerless to withstand or even retard the terrific onslaught.

It should be added somewhat parenthetically that the Belgian situation was rendered still worse by the absence of any previously prepared plans for joint action with French and British troops in case of such an emergency. As has been noted (p. 631), the Belgian government had abandoned its Locarno obligations in 1937 and had sought to find safety in the event of another war in that scrupulous neutrality which had proved the salvation of the Dutch and the Scandinavian peoples during the holocaust of 1914-18. In pursuance of this self-imposed policy the government, fearing Nazi wrath, had avoided all military conversations with authorities in London and Paris.

Now that the storm had broken there was an immediate appeal for Allied aid, and British and French troops hurried into Belgium in an effort to check the invader and establish a front at a safe distance east of the precarious extension of the Maginot Line which the French had so hastily built after this Belgian decision in 1937. Unfortunately for the Allies, the German authorities had foreseen all this and they concentrated the full force of their drive upon the southern section of their front. Before the end of the third day they had succeeded in crossing the Meuse at Sedan, where they had surprisingly little difficulty in effecting a rupture of the French defenses. In part, at least, this catastrophe is to be explained by the fact that seasoned French troops had been taken from the lines and sent into Belgium, and the full force of the German attack was thrown upon the line before General Corap's relief forces were in position. Once the French lines had been broken, German mechanized units hurried northward toward the Channel in an effort to complete the isolation of the British and French forces in Flanders. On 21 May, eleven days after the attack upon the Low Countries had been precipitated, German advance units reached Abbéville,

² See E. N. van Kleffens, *Juggernaut over Holland* (New York, 1941)?

a French coastal town. The encirclement plan had worked without a hitch, and the Allied forces in Flanders were hopelessly trapped.

In Paris the frantic government had dismissed General Gamelin and had replaced him with General Weygand, hoping desperately that through this change in leadership another "Miracle of the Marne" might yet be forthcoming to save the panic-stricken country. But disaster piled on disaster. On 28 May the young Belgian king capitulated and, despite the indignant fulminations of the refugee Belgian cabinet in Paris, the Belgian soldiers laid down their arms. The trapped British forces, unable to cut their way through the German line, were evacuated from Dunkerque amid a hurricane of German air-borne destruction. Losses in men were not as great as had been anticipated, but virtually all the equipment of the entire British Expeditionary Force had been sacrificed. Stripped of its indispensable matériel, the shattered and disorganized British force could do little but watch the unfolding of the drama across the Channel and await the anticipated all-out attack upon the British Isles.

The desperate rear-guard action of the French armies, as they fell back to position after position, delayed the Nazi onslaught a trifle but not sufficiently to permit the French to offer substantial resistance to the swift-moving mechanized divisions which hounded them relentlessly. There was a final government shake-up in which Premier Reynaud at last succeeded in excluding his rival, Daladier, from the government, but such measures were too few and too late.

While the disorganized French government was preparing to leave Paris for Tours a fresh disaster added to the hopelessness of its position. As has been indicated (pp. 676-678), Italy had remained discreetly out of the war, despite the military pact with Germany of 22 May 1939, and had shown every desire to avoid participation in a struggle for which there was no popular enthusiasm on the part of any of the Duce's war-weary subjects. But now, with the fall of France imminent, the Italian dictator knew that his territorial aspirations in the Mediterranean, which could be satisfied chiefly at the expense of France, would be given scant consideration by a Nazi victor who had been compelled to crush the French unaided by his Italian ally. With France reeling and Britain dazed and apparently almost helpless, there was a chance that some glory and loot could be had without the payment of a high price in terms of blood and treasure. On 10 June, proclaiming the complete tranquillity of his conscience, Signor Mussolini accordingly declared war against "the plutocratic and reactionary democracies of the West, who have hindered the advance and often threatened the existence of the Italian people."

Militarily speaking, this new enemy did little to affect the outcome of the battle of France, action being limited to what amounted to a token

Italian advance into the French Riviera, but it may have had some slight effect upon the already shattered French morale. As a matter of fact, the French seemed incapable of recovering from the shock which followed the sudden and dismal failure of their famed Maginot Line. Two days after the Italian entrance into the war General Weygand advised the government that it would be necessary to sue for an armistice. There followed a desperate and vain, appeal to President Roosevelt; the hurried movement of the government to Bordeaux; last-minute negotiations with the British (who attempted to keep France in the war by offering an astounding "Act of Union" in which all French citizens would receive full British citizenship and according to which the two countries would have a common foreign and commercial policy); and, ultimately and almost inexorably, the decision to accept the inevitable and ask for armistice terms. On 16 June, scarcely more than five weeks after the invasion of the Low Countries, the entire military and political structure of France had been crushed by the hammering of the invader. The aged Marshal Pétain, the hero of Verdun, was summoned to succeed M. Reynaud, who had fought unsuccessfully to persuade his colleagues to continue the struggle from North Africa. Scarcely an hour after he had assumed control over the government, the marshal appealed to the German government for an armistice. After a hasty conference between the Axis dictators at Munich, terms were agreed upon and the French were instructed to send their plenipotentiaries to Compiègne, where they were to meet the triumphant Nazi leader in the same railway car in which the peace terms of 1918 had been signed. While these negotiations concerning the armistice meeting place were being carried on, and after French resistance had completely ceased, Bordeaux was bombed twice by Nazi air-men, whose senseless destruction took the lives of more than two hundred civilian refugees who had fled to that city.³

As had been generally anticipated, the armistice terms which were signed on 22 June were far from generous. The northern portion of France and a coastal strip in the west running all the way to the Spanish border were to constitute an occupied zone. French military forces were to be demobilized at once, and all weapons and equipment were to be turned over to the victors or placed under their control. The French war fleet, which Germany promised not to use in military operations, was to be demobilized and laid up, exception being made only for those units which would be needed for coastal guard and colonial service. All costs of the German army of occupation were to be paid by the French government. A host of minor stipulations, including the right of Germany to retain all French war prisoners until the final conclusion of peace, completed the document.

³ On the fall of France, see A. Maurois, *Tragedy in France* (New York, 1940); H. A. Armstrong, *Chronology of Failure* (New York, 1940); and H. Pol, *Suicide of a Democracy* (New York, 1940).

While France struggled to restore some semblance of order out of the chaos of defeat and collapse, her problem was soon complicated by the formation of the Free French movement under the aggressive leadership of General Charles de Gaulle, who had fled to England to broadcast an appeal to his countrymen to join him in the creation of a military force which would continue to fight the Nazis and the Italians. Although Great Britain continued to recognize the Pétain government, now stationed at Vichy, as the legal French government, the London authorities did make a gesture in De Gaulle's direction by recognizing him as the leader of the Free French movement and by promising him as much material aid as possible. With this backing, and with the support of a rapidly increasing number of Frenchmen who came to join the standard of continued resistance, the Free French movement soon had control over a substantial portion of the French colonial empire, including Equatorial Africa, the Cameroons, the Tchad territory, Tahiti, the Hebrides, and New Caledonia. General Weygand, however, who now commanded the French forces in North Africa, remained loyal to Vichy, as did the colonial administrators in Syria, Dakar, and Indo-China. An attempt by the De Gaulle forces to capture Dakar late in September was repulsed with considerable losses.

Meanwhile, Franco-British relations, none too good at best, were subjected to a most severe strain, 3 July, by the destruction of numerous units of the French fleet at the hands of the British. Naturally enough, one of the chief concerns of the British government after the fall of France was over the fate of the powerful French fleet. Although Hitler had agreed in the armistice not to use the ships against the British, his assurance was not valued highly in London. Fearing the worst, the Admiralty requested the French fleet commander at Oran to accept one of three choices: (1) to join with the British navy; (2) to sail the ships into a British port; or (3) to demilitarize them at some port in the French West Indies. Following a French refusal, the British fleet thereupon opened fire and destroyed or severely damaged one battle cruiser, two battleships, two destroyers, and a seaplane carrier. This melancholy action was bitterly resented in France, where leaders insisted that the destroyed naval units were actually in the process of demobilization at the time of the attack, and were therefore in no condition to offer resistance to British fire. Prime Minister Churchill explained to the House of Commons that the action had been necessary in order to make sure that these powerful ships did not fall into Nazi hands.

Following the collapse of France the attention of the world was transferred across the Channel to Britain where, it was generally assumed, the fury of the Nazi attack would now fall in an effort to crush British resistance before the end of summer. Although air activity over the British Isles did continue with ever-increasing intensity, there were no other develop-

ments at the moment, and the British, grateful for the unanticipated respite, worked desperately to steel themselves against the coming blow by amassing as much military equipment as they could to repair the losses which had accompanied the Dunkerque evacuation.

By the beginning of September the concentration of boats and troops along the French Channel coast had become so apparent that the invasion attempt was considered to be a matter of days or weeks. This view was reinforced by Chancellor Hitler's boast, 4 September, in a public speech to the effect that Britain was doomed to collapse within "the next few weeks." Actually, it is not yet known whether the Nazis wished merely to feel out British defenses or whether their plans were changed at the last minute by the severity and effectiveness of British air activity over the invasion ports. It may also be that the Nazi plans were changed because the terrific air assault upon British cities, carried on relentlessly night after night, failed completely to disturb the strength of British morale. At any rate there was no invasion, and the war in the west settled down to a grim struggle of attrition in the air and of blockade and counterblockade upon the sea. By the end of the first year of the war the British admitted the loss of 2,855,870 tons of British, Allied, and neutral shipping, and the fear developed that the German submarine warfare, powerfully reinforced by the activities of scouting planes which reported the location of convoys to submarine commanders by radio, might yet succeed in doing what a similar campaign had failed to do during the World War.

In its turn, the British navy and air force redoubled its own activity and, profiting by the fifty destroyers acquired from the United States, increased its mine-sweeping and convoy protection to merchant shipping. At the time of the present writing (July 1941) a total of more than seven million tons of shipping had been destroyed by the Nazis. This destruction, which had already surpassed total World War losses, was considerably in excess of the replacement capacity of British shipyards, even with the assistance of the immense American shipbuilding program which had been inaugurated by the government in an effort to help the British win the battle of the Atlantic. The crucial character of this aspect of the war escaped no one. It was clear, for example, to the British that while the war might not be won for them in the Atlantic, it might easily be lost there. Many there were who believed that, whatever might be the outcome of the fighting in other theaters, the Nazis could not win the war unless they won this great battle of the blockade.

Eastern Europe and the Mediterranean. With the war stalemated in the West after the French debacle, the conflict tended to shift to eastern Europe and the Mediterranean, where there has been within the past twelve months a confused, and confusing, contest in which diplomacy and force

have had almost equally leading roles. The object on the part of the Axis powers has been to acquire domination over all the Balkans, the Near East, North Africa, and the Middle East. If successful, such policy would cripple Britain, complete the isolation of Russia, and place the Axis in such a strong position, strategically and economically, that the British sea blockade would no longer be a major threat to the safety of the Axis life line of aggression. To do this it was necessary to move cautiously in the Balkans in order not to cause too much alarm in Moscow. As a second step, the British had to be driven out of Egypt or, alternatively, by-passed by the extension of Axis control through Turkey, Iraq, and Iran to the Persian Gulf and the frontiers of India.

The Soviet authorities had not for a single moment been lulled into any sense of false security by the signature of the nonaggression Pact with Nazi Germany (p. 673). They remained acutely conscious of the fact that Hitler would some day seek to settle scores with them, and it had been the desire to escape this fate which led them to grasp the opportunity to hurl Hitler into a war against the British and French. Largely to prevent Nazi strategic advances, the Soviet authorities had obtained control over the Baltic states, finally absorbing them completely into the U.S.S.R. in July 1940. Now, conscious of the dangerous character of the situation in the Balkans and desiring to issue a warning to the Nazis, the Russian government suddenly presented a demand to Rumania for the return of Bessarabia and part of Bukovina, former Russian territories which had been incorporated into Rumania at the end of the World War. The Rumanian government had no recourse but to yield, and the transfer was effected within a short time after the delivery of the ultimatum on 26 June 1940.

The first Nazi move was the establishment of a dominant influence in Rumania. By a virtual Axis ultimatum the Rumanian government consented in August to return the southern Dobruja to Bulgaria and a large portion of Transylvania to Hungary. This step was taken in order to make certain the gratitude of the recipients of this Axis generosity at Rumania's expense; it may also have been taken with the full knowledge that it would bring about enough civil strife in Rumania to destroy any stable government except one which would have Axis backing. At any rate that is what happened. Disorder reached such a pitch that King Carol was forced to abdicate, 6 September, in favor of his son, Prince Michael. The new government formed by General Antonescu was so weak that it could not keep the triumphant and vengeful Iron Guardists in hand, and they proceeded to take summary vengeance, through a disgusting blood purge, upon all who had oppressed them in the past. This was precisely the opportunity which Hitler could use to his advantage, and Nazi troops soon began to move into Rumania in large numbers. Within a short time the country was fully occupied

and under Nazi control. By the end of November, Rumania, as well as Hungary and Slovakia, had joined the Axis.

The second development was the outbreak of war between Italy and Greece. Following the usual prelude of a press campaign, charges of mistreatment of Italian nationals in Greece, and the assertion that Greece was supporting anti-Italian groups in Albania, the Italian government presented Greece with an impossible three-hour ultimatum delivered at three o'clock in the morning of 28 October. Fighting broke out immediately, but the world, which had anticipated a courageous but brief resistance from the Greeks, was startled at the ensuing revelation of Greek bravery and Italian incompetence. The Italian invaders met with defeat after defeat; they were driven out of Greece; and it seemed for a time as if they were on the verge of being driven out of Albania as well. It should be added that the success of the Greek forces was aided materially by British supplies and by units of the R.A.F. which harassed the Italian troops and sea communications.

Reverse piled upon reverse for the hapless Italian dictator who had entered the war only when he thought it to be in its final phase. Now, months later, his armistice terms with France had yielded little, his troops were dismally unsuccessful against the Greek army, and, worse still, the Italian navy seemed completely incapable of offering serious resistance even in its home waters to the British navy. The latter went into the Adriatic and shelled Valona, into the Ligurian Sea and shelled Genoa, and the Fleet Air Arm inflicted great damage upon the harbor-clinging Italian fleet in the strikingly successful attack at Taranto, 13 November.

The cup of bitterness which was being drained at the Chigi Palace was not made any more palatable by the swift success of the British North African campaign. Earlier, the Italians had penetrated for some distance across the Egyptian frontier, reaching the town of Sidi Barrani. There they were suddenly attacked, 9 December, by General Wavell's force, thrown into complete confusion, and badly defeated. Moving with great rapidity, the British swept into Libya, took Tobruk and Bengazi, and captured immense stores of Italian military equipment. In Ethiopia, Italian Somaliland, and the Eritrea the trapped Italian forces gave way rapidly before the onslaught of Empire and native troops.

Clearly, by the opening of 1941 the execution of the movement to the east had bogged down in the sands of Africa, the waters of the Mediterranean, and the mountains of Albania. Hitler had to come to the aid of his fumbling Axis partner or have his entire program jeopardized by the seeming incompetence of the Italian forces to win a single major victory. Aid did begin to come but it was presaged by the large-scale migration of Nazi technicians, and even members of the Gestapo into Italy. Commem-

tators began to speak, and with reason, of the Nazi bloodless conquest of the Italian peninsula.

Through the late winter weeks, before large-scale troop movements in the Balkans were possible, the Nazis busied themselves with the preliminary phases of their program. Pressure now was put upon Yugoslavia to join the Axis, and the Yugoslav prime minister who joined the long procession of statesmen to Berchtesgaden took back to Belgrade a series of demands which were difficult to accept and perhaps even more difficult to refuse. For several weeks during late February and early March the Yugoslav government made strenuous efforts to avert the fate that seemed to be impending. Negotiations were protracted as long as possible, and efforts were made to ascertain the extent of help which might be forthcoming from Britain if a course of resistance were determined upon.

Momentarily, at least, the Nazi policy in Bulgaria was more successful, for the government of that country accepted its fate promptly and joined the Axis at the beginning of March. The country was filled at once with Nazi troops and military equipment, all transferred as rapidly as possible to the Greek frontier. Hitler was preparing to put a stop to the bothersome Italo-Greek war.

By the last week in March the Yugoslav government capitulated and added its signature to the growing list of countries which declared themselves ready to submit to the new order in Europe. Jubilation over this diplomatic victory was short-lived, however, for within the week there was a popular uprising at Belgrade; governmental leaders fled or were imprisoned; and the new government, backed by the army, prepared to resist the inevitable Nazi onslaught. The time which remained to them to perfect their defense plans was brief indeed; on 6 April the Nazi divisions rolled over the frontiers into both Greece and Yugoslavia. Despite the aid given by a British expeditionary force which had moved hastily from Africa, the campaign was soon over. Yugoslav resistance collapsed miserably at the end of twelve days of bitter fighting, and within a short time thereafter the Greek army was forced to abandon the unequal struggle. Mile by mile the British forces were pushed back southward to the sea until they, too, evacuated the peninsula to make another heroic but unsuccessful stand in Crete.

It is doubtful if the British command had ever anticipated the successful creation of a Balkan front. But aid had been promised to Greece, and aid had to be sent even though it had involved the serious weakening of forces in North Africa. On this latter score the decision to aid Greece, which had apparently been carried through against the opposition of General Wavell, had proved to be most costly. Before launching the Balkan campaign the Germans had secretly moved quantities of men and matériel into Libya. The reinforced Italo-German army fell upon General Wavell's forces with

unexpected fury, driving them back out of Libya and into Egypt as far as Solum. Except for the city of Tobruk, which the British managed to hold, the Libyan gains had been lost almost as rapidly and as spectacularly as they had been achieved.

Even yet the general line of Nazi strategy was not clear. There was a possibility that Nazi activity in Syria, combined with extreme pressure for transit rights upon Turkey, might bring about a gigantic pincers movement directed toward the Suez Canal. There was also the possibility that an attempt might be made to reach the Persian Gulf via Iraq, bring Iran under Nazi control, and thus threaten the entire Middle East. Such a step would provide the Nazis with immense strategic advantages and a valuable oil supply.

In anticipation of either or both of these possibilities the British had strengthened their forces in Iraq and had hastily put down an Iraq revolt led by pro-Axis Premier Rashid Ali Beg Gailani. They were determined not to wait until they should be placed in a defensive position once more, and so, utilizing the assistance of Free French forces under General Catroux, an attack upon Syria was opened at the beginning of July 1941. To the surprise of many observers the Nazis made no effort to come to the aid of the resisting Vichy-controlled forces which attempted to defend the Syrian mandate. This could mean but one thing: the German General Staff did not plan an attack upon Suez and did not wish to become embroiled in a Near Eastern conflict at this time. The immense, and now idle, German army was being prepared for action elsewhere,

The location of this new area of conflict was soon disclosed. Following a rapidly rising crescendo of wild rumors concerning a sudden deterioration of German-Russian relations, the world was startled to learn in the early morning hours of 22 June that the full weight of the German army had suddenly been hurled against the Soviet Union. Hitler's vague and virtually meaningless tirade against the Soviet authorities, which was his only public explanation, offered little help to those who sought to explain this bewildering new development in a war in which the fantastic improbabilities of one day had regularly become the commonplaces of the next.

While the Nazi Panzer divisions pounded their way across the frontiers, and the Russians, charging "perfidy unparalleled," hastened to man their defenses, the world slowly began to realize that, despite all the embroidery of falsehoods and protestations, the basic Nazi pattern of the ultimate destruction of the Soviet Union had never ceased to be a dominant motif in the strategy and foreign policy of the Wilhelmstrasse. With the wisdom of hindsight it was not difficult to conclude that the Nazis, having failed to crush Britain in the autumn of 1940, had determined to dominate the Balkans, not with the intention of attacking the Middle and Near Eastern

positions of Great Britain but to make an early attack upon the Soviet Union. It was even probable that the Nazi thrust into the Near East, balked at the Dardanelles, had been intended primarily as a basis for the Russian attack rather than for a blow at Suez.

In the first moment of confusion it was natural to speculate upon the possible gains which could be achieved by the Russian campaign. These were fairly obvious, though in all cases they were based upon the anticipation that Russia could be crushed speedily and without an exhausting military effort. First of all, a victory over Russia would involve the destruction of the last great army which could be raised against Hitler anywhere on the European continent. This alone was a factor of no little importance. Next, there was the possibility that the strong anti-Communist sentiment in Britain and the United States might render those countries more disposed to view Hitler in a more kindly light, and even to consider the offer of a negotiated peace. Further, if a negotiated peace offer were spurned and if American aid continued to pour into Britain at an ever-increasing tempo, Germany could gird herself for a long war by organizing the vast resources and potential industrial power of the Ukraine and the Caucasus. It might even be feasible to reduce the destruction caused by British air raids by moving industry deeper and deeper into eastern Europe. In any event, the rapid destruction of Russian military power would place the Reich in such a position of unprecedented strength that the sea blockade of Britain would become useless and the landing of an expeditionary force impracticable.

The War in the Far East (see p. 648). After failing to complete the conquest of China by a land campaign, Japan resolved to take advantage of her sea power to choke off China's channels through which foreign military supplies were being procured. Immediately after the fall of France Japan presented the tottering Vichy régime with a series of demands involving the stationing of inspectors in strategic points in northern Indo-China and the coöperation of French officials in cutting off the shipment of supplies to China via the railway into Yunnan. When Vichy yielded to these demands, the Chinese at once were faced with a serious dilemma, for they had been obtaining nearly 70 per cent of their munitions by this route.

The Chinese sea coast was completely sealed and with the loss of Indo-China there remained only the overland route to Russia and the long Burma Road. When Britain was confronted with a demand to close the latter, the government hesitated and then agreed to close the road for three months. Though this compliance on the part of Britain aroused bitter criticism both in China and in the United States, it was understandable in terms of the larger issues which were involved. Britain agreed to close the road for the same reason that the United States was continuing to sell large quantities of military raw materials to Japan. Both powers felt that

it was imperative to avoid actions which might precipitate a direct break with Japan and which might force Japan to begin naval action anywhere in southeastern Asia. Neither power wished to aid and abet a Japanese victory, but neither power wished to fight Japan at the time when such an eventuality would impair either Britain's military position in Europe or the continued flow of military supplies from the United States to the British Isles. Since Japan was already at a standstill in China it seemed better, at least to a certain point, to attempt to maintain the *status quo* for the time being.

Nonetheless, both powers were eager to avoid a policy which would give too much aid and comfort to the Japanese. The United States restricted still further the categories of goods (scrap iron, high octane gasoline, and so on) which might be exported, and Secretary Hull gave Japan a blunt warning, 17 April 1940, that any change in the *status quo* of The Netherlands Indies would be "prejudicial to the cause of stability, peace, and security . . . in the entire Pacific area." Likewise, Britain, having weathered the German air *Blitzkrieg* of September, promptly opened the Burma Road at the expiration of the three-month period, 18 October.

The natural policy of the Axis powers was to try to maintain such tension in the Pacific as would immobilize as much American military equipment as possible in that area. Following the passage of the Lease-Lend Act and the rapid progress of the rearmament effort in the United States, the Axis countered by the conclusion, 27 September 1940, of a ten-year, three-power pact with Japan which was designed to serve as a warning to Washington. The pact stipulated that Japan recognized Axis leadership in Europe, and the Axis recognized Japanese leadership in shaping the destinies of the Far East. If any of the three powers should be attacked by a power not at the time involved in the European or the Far Eastern conflicts, the other two agreed to render all possible political, economic, and military assistance. Relations between the Axis and Russia were specifically exempted from the scope of this obligation. Clearly, this pact was intended to inform Washington that if the United States should enter the war against Germany it would face a war in the Pacific as well. The United States concluded quite properly that this arrangement (which could in no way benefit Japan) did not alter the existing situation—and remained unimpressed.

The general situation in southeastern Asia presented Japan with a delicate and challenging problem. The collapse of France and the Nazi occupation of The Netherlands left two valuable areas in a relatively unstable condition. Neither Britain nor the United States wished to permit Japanese expansion in that region, but neither power was able or willing to threaten the immediate use of force to prevent any action except one involving

an immediate danger to its own possessions.⁴ Since the British base at Singapore, the potential center of Anglo-American resistance, was nearly 3,000 miles from Tokyo, a direct attack by the Japanese navy, or even any action which might invite retaliatory action, could not be undertaken without preparatory steps which would provide Japan with a naval and air base in the region. The proper Japanese policy, therefore, was one involving the gradual infiltration of influence into Indo-China and Thailand. In due time this could be transformed into political and military domination, and an attack upon any part of that region might be contemplated with greater equanimity by the Japanese naval authorities.

It is in this setting which one must examine the almost continuous, but on the whole unsuccessful, Japanese negotiations with the officials of The Netherlands Indies for a special position in the economic life of those islands. The Dutch authorities yielded on some points, refused others, and, in general, procrastinated as much as possible, the while maintaining close relations with both the British and the American governments. It is in this setting, too, that one must place the Japanese provocation of the Thai-Indo-Chinese frontier dispute of October 1940. This flare-up and the subsequent Japanese mediation which resulted in the satisfaction of many of the Thai demands were designed to weaken Indo-China and to strengthen Japanese influence at Bangkok.⁵

Even with a weak Indo-China, a friendly Thai government, and no great likelihood of drastic Anglo-American action, the Japanese government still hesitated to move because there remained the unpleasant possibility that Japanese involvement in southeastern Asia might be the occasion for trouble with the Soviet Union. With this in mind, Foreign Minister Matsuoaka traveled to Rome and Berlin in the spring of 1941, stopping off en route in Moscow for long conversations with the Soviet officials. The outcome of this trip was the conclusion, 13 April 1941, of a Japanese-Soviet nonaggression agreement. The two powers agreed to respect the "territorial integrity and inviolability" of each other, and they promised to maintain neutrality in case either became involved in hostilities with a third power. By this pact Japan freed herself from the danger mentioned above, and she also freed herself from any obligation to take part in a possible Soviet-German clash. Under the circumstances it is not surprising that the pact was hailed in Tokyo by Premier Konoye as a step of "epoch-making significance." The Soviet willingness to enter into such an agreement can be understood in the light of the growing fear in the Kremlin of an impending attack by Hitler's hordes.

⁴ For background reading, see V. Thompson, "The Struggle for Indo-China," *Amerasia*, September, 1940.

⁵ On this, see V. Thompson, "Thailand Incredita," *Far Eastern Survey*, 33 October 1940, and "Undeclared War along the Mekong," *ibid.*, 29 January 1941.

When the war between Germany and the Soviet Union did break out two months later there were many foreign observers who predicted that Japan would seize this opportunity to invade the Soviet Maritime Province. These observers overlooked entirely the fact that, unless or until the Soviet power collapsed completely, Japan was not in a position to cope with the powerful Red Banner armies, totaling more than fifty divisions, stationed in Asiatic Russia. It was obvious, however, that this final assurance of freedom from possible Russian attack ought to provide Japan with her long-awaited opportunity to take a next step southward toward Singapore and The Netherlands Indies. Even so there still was delay at Tokyo and no action was taken until a cabinet shake-up had apparently created unity with respect to the policy to be followed.

Once this had been done, events came swiftly. Vichy was presented with a series of demands concerning Indo-China. Japanese naval units moved southward, and additional classes of men were called to the colors until virtually all the available man power of the nation had been mobilized. The terms of the demands, which were promptly accepted by the helpless French authorities, involved naval bases at Cam Ranh Bay and Saigon and what amounted to a general protectorate over the entire country. The importance of this step can be realized from the fact that Japan was now ensconced in the heart of southeastern Asia, seven hundred miles from Singapore, one thousand miles from Cavite in the Philippines, and only twelve hundred miles from Batavia and the heart of The Netherlands Indies.

Britain and the United States, thus challenged, moved quickly to take new positions in the diplomatic contest. Since Japan had destroyed the *status quo* which the other powers had striven, through their policy of mingled concessions and warnings, to maintain, speedy and decisive action was imperative. It involved the danger of military involvement but there was no longer any alternative left which was not, in the long run, even more menacing than the risk of war. On 25 July, even before Japan had formally occupied and assumed control over her new "protectorate," the British Empire and the United States "froze" all Japanese assets in the two countries, thus bringing an end to nearly all trade relations with the invader. It was indicated that The Netherlands Indies government would take a similar stand. If so, Japan might be cut off from all her existing sources of important war materials, including petroleum. Unless she were able to force her way to The Netherlands Indies oil fields, her great war effort was doomed to collapse as soon as existing military reserves were exhausted. Under the circumstances it seemed obvious that Japan's action and the Anglo-American countermoves had created a situation in which the tension would be almost unbearable. As in Europe after April 1939, positions had

been taken from which no power could retreat without a serious loss of "face." An Anglo-American-Japanese war seemed almost inevitable.

Repercussions of the War upon America (see pp. 721 ff.). *Hemisphere defense measures*.—Concurrently with national rearmament at home, the Washington government initiated a series of measures intended to implement the strategic defense of the Western Hemisphere as a whole. The first of these steps took the form of a defense agreement with the Dominion of Canada. On 17 August 1940, President Roosevelt and Prime Minister Mackenzie King conferred at Ogdensburg, New York. The next day the two statesmen issued a joint statement which read in part as follows:

It has been agreed that a permanent joint board on defense shall be set up at once by the two countries.

This permanent joint board on defense shall commence immediate studies relating to sea, land, and air problems including personnel and material.

It will consider in the broad sense the defense of the north half of the Western Hemisphere.

The permanent joint board on defense will consist of four or five members, most of them from the services. It will meet shortly.

On the basis of this understanding, a Canadian-American Joint Defense Board was quickly organized. Although the board was given no powers of its own, and little concrete information relative to its activities reached the public, the far-reaching potentialities of the Ogdensburg agreement escaped no one on either side of the border. For the United States, another corner of its artificial façade of "neutrality" was knocked off: Washington had formed what amounted to a defensive alliance with a *belligerent* nation.

Not only from the military but also from the industrial point of view, the Ogdensburg agreement presaged a steadily closer integration of the Canadian and American war efforts. In order to further this economic co-operation, Mr. Roosevelt and Mr. Mackenzie King concluded a second agreement at Hyde Park, New York, on 20 April 1941. By the Hyde Park declaration it was agreed "that in mobilizing the resources of this continent each country should provide the other with the defense articles which it is best able to produce, and above all, produce quickly, and that production programs should be coördinated to this end." As a step toward easing Canada's difficult "dollar exchange" situation, the American government announced its intention of buying from \$200,000,000 to \$300,000,000 worth of war materials from the Dominion during the ensuing year. The Hyde Park agreement further provided that "insofar as Canada's defense pur-

chases in the United States consist of component parts to be used in equipment and munitions which Canada is producing for Great Britain," the latter should "obtain these parts under the Lease-Lend Act and forward them to Canada for inclusion in the finished articles."

Still more significant from a hemisphere defense standpoint was President Roosevelt's dramatic announcement, on 2 September 1940, that the United States had completed a bargain with Great Britain by which the former acquired the right to lease sites for naval and air bases in Newfoundland and in the islands of Bermuda, the Bahamas, Jamaica, St. Lucia, Trinidad, and Antigua, and in British Guiana. In his message to Congress outlining the terms of this important agreement, the President indicated that "the right to bases in Newfoundland and Bermuda are gifts—generously given and gladly received. The other bases mentioned have been acquired in exchange for fifty of our over-age destroyers."⁶ The President called the agreement "the most important action in the reinforcement of our national defense that has been taken since the Louisiana Purchase." The transaction was negotiated in the form of an *executive agreement* not requiring the formal approval of Congress.

The acquisition of bases in the British West Indies by the United States raised the broader question of whether similar base sites should not be sought in Latin America. As a matter of fact, the broader problem of inter-American coöperation for hemisphere security had been anticipated by the Havana Conference held the preceding July. Using the consultative machinery set up at Buenos Aires in 1936 and at Lima in 1938, Uruguay had taken the initiative in proposing a second emergency meeting of Ministers of Foreign Affairs of the American Republics.

The central achievement of the ensuing Havana Conference was embodied in a "Convention on the Provisional Administration of European Colonies and Possessions in the Americas." In effect, this convention amplified certain far-reaching principles laid down in the Final Act of the Conference. Calling attention to the fact that "the status of regions in this continent is a subject of deep concern to all of the Governments of the American Republics," the Act of Havana declared that whenever such regions now under the control of non-American nations "are in danger of becoming the subject of barter of territory or change of sovereignty," the American nations may establish "a régime of provisional administration." Machinery was set up for this purpose.

The Act of Havana, taken in conjunction with the Convention, may properly be regarded as a significant further step toward the practical "con-

⁶ For the text of the Hull-Lothian exchange, cf. the *Department of State Bulletin* for 7 September 1940. For detailed commentary, A. R. Elliott, "U. S. Strategic Bases in the Atlantic," *Foreign Policy Reports*, 15 January 1941.

tinentalization" of the Monroe Doctrine.⁷ It was in the spirit of the Act of Havana that Secretary Hull, in September, notified each Latin-American government that the bases acquired by the United States from Great Britain would be "made available alike to all American republics."

One other significant hemisphere defense action remains to be noted. On 10 April 1941, the government of the United States announced dramatically that it had just concluded an agreement with the Danish Minister in Washington by which it had assumed the responsibility for the protection of Greenland, so long as Denmark was not free to act, and had acquired the right to construct and operate landing fields and seaplane facilities on that ice-swept island. Directed against the "danger that Greenland may be converted into a point of aggression against nations of the American continent," this agreement was negotiated, so its text stated, in the spirit of the obligations laid down by the Act of Havana. According to unofficial report, diplomatic conversations between Ottawa and Washington took place prior to the signing of the agreement. It was generally understood, moreover, that Canada was planning to act if the United States had not taken the initiative. Only two hundred miles distant from Newfoundland, the southern tip of Greenland might easily become a steppingstone for a transatlantic aerial attack on the eastern ports of the Dominion, as well as of the United States. Conversely, at any rate during the warmer part of the year, Greenland could serve as a base for an air patrol of the North Atlantic by way of Iceland and the Faeroes to Scotland. For both of these reasons, action to prevent a Nazi thrust at Greenland seemed to Washington and Ottawa to be strategically imperative. Scarcely had the ink dried on the agreement when the Nazi-controlled government of Denmark repudiated it and recalled the Danish Minister from Washington. In reply, Secretary Hull bluntly announced that the United States would continue to recognize the Minister as the duly authorized representative of Denmark and expressed anew his hope for "the speedy liberation" of Denmark from the Nazi yoke.

Aid to Britain "short of war."—While there was no question that the American public, by majorities ranging from 80 to 90 per cent, favored the implementation of hemisphere defense, opinion was less united on the extent to which the United States should go in supplying material aid to Great Britain. After June 1940, a substantial majority, according to the sample polls, indicated their approval of as much aid as could be given (1) without depleting home defense requirements and (2) without active military participation in the war, declared or otherwise. Outright interventionist sentiment was confined to less than a third of the population; another two-fifths,

⁷ It should be noted, also, that Congress, by resolutions initially voted by the two Houses in the summer of 1940, but not finally approved until a year later, wrote the policy of "non-transfer" into the public law of the United States.

perhaps, were ready to back "more aid" to Britain, but not to declare war; the rest remained isolationists.⁸

Although constituting a decided minority, the isolationists appeared to be well supplied with funds for propaganda activity, much of which was organized through the so-called "America First Committee" operating from Chicago, the center of the Middle West isolationist belt. In Congress, on the stump, by radio broadcasts, and through lavish advertisements in the press, the isolationist spokesmen belabored the public with arguments strikingly similar to those that had lulled the French and British people into a false sense of security after Munich. A few of the isolationists were outright fascists, closely affiliated with the German Bund and other Nazi organizations; a few were Communists or their "hangers-on"; some were appeasers who naïvely believed that America could "do business" with a triumphant Hitler; others, for want of a better term, might be set down as professional "peacemongers" who, unconsciously or not, aided the Nazi propagandists; still others were just plain, honest folk, residing chiefly in the interior of the country, who wanted to see the Nazi system defeated but feared that if America went into the war democracy would be lost at home.

Faced with these contradictory and confused trends of opinion, the Roosevelt Administration moved cautiously in its "aid to Britain" policy. It moved cautiously for a second reason—the impending presidential election. Although the Republican nominee, Mr. Wendell Willkie, personally favored the objectives sought by this policy, his potential supporters were by no means all of this mind. Nor, for that matter, were those on whom Mr. Roosevelt counted for reelection. The platforms of both parties hedged on the war issue and both standard-bearers promised to "keep America out of foreign wars." To draw votes, Mr. Willkie sought to picture the President's foreign policy as tending toward "dictatorship." Stripped of campaign verbiage, however, the positions of the two candidates were essentially the same; each recognized that, in spite of the terrific impact of Hitler's conquests and the perilous plight of Great Britain, most American parents wanted assurances that their boys would not be sent overseas. Both men tried to capitalize on this widespread antiwar sentiment. Nevertheless, shortly before the end of the campaign, President Roosevelt, speaking at Dayton, Ohio, bluntly rejected "any doctrine of appeasement" and added, significantly, that his conception of the Western Hemisphere included "the right to the peaceful use of the Atlantic Ocean and of the Pacific Ocean." "No combination of dictator countries of Europe or Asia," continued the President, "will stop the help we are giving to almost the last free people now holding them at bay."

⁸ For a shrewd analysis of the composition of the isolationist camp, see Herbert Agar, "Who Are the Appeasers?" *The Nation*, 22 March 1941.

It was on this general declaration of intention that the President, once his reelection was assured, predicated his policy of supplying Britain (and China as well) with the tools of war. Yet, aside from the 50 over-age destroyers turned over to the British in September, the flow of assistance throughout 1940 remained little more than a good-sized trickle—in contrast to what Britain so desperately needed. On the “cash and carry” basis, considerable quantities of surplus World War stocks—rifles, machine guns, field guns, and ammunition—had been consigned to the British during the summer, but by September shipments of munitions practically ceased for the time being. During the first fourteen months of the war, only 1,056 military airplanes reached Britain from American factories. Between September 1939 and December 1940, 132 old cargo vessels, amounting to less than 500,000 gross tons, were sold to the British with the approval of the United States Maritime Commission.

Meanwhile, available British assets, in terms of dollar exchange, were running dangerously low. In December 1940, London formally appealed to Washington for financial assistance. Without such assistance, Britain would soon find it impossible to place further orders in the United States for the ships, planes, tanks, and guns which she must have in order to hold out against the Nazi aerial bombardment and meet the threat of invasion. At this critical juncture, President Roosevelt ended uncertainty by announcing a new policy for dealing with the Axis challenge. In a radio address delivered on 29 December, Mr. Roosevelt charged that the purpose of the Tri-partite Alliance, signed on 27 September, was “to enslave the whole of Europe . . . and to use the resources of Europe to dominate the rest of the world.” Japan and Italy were partners with Germany in this gigantic blackmailing maneuver. Lashing at appeasers and defeatists alike, and paying glowing tribute to Britain, China, and Greece, the President called upon the United States to become “the great arsenal of democracy.” Less than two weeks later, on 10 January 1941, the administration submitted to Congress its Lease-Lend bill—a bill ingeniously drafted so as to empower the President, “notwithstanding the provisions of any other law,” to manufacture for, sell, transfer, exchange, lease, lend or otherwise dispose of any defense article “to the government of any country whose defense the President deems vital to the defense of the United States” (italics ours). The bill further provided that any such defense article (including naval vessels) might be tested, inspected, outfitted, reconditioned, or repaired in American factories and American ports. In the President’s discretion, repayment might be made “in kind or property, or any other direct or indirect benefit” deemed satisfactory to him. Any foreign government made the beneficiary of the proposed law must, however, give formal assurance that it would not transfer to any other government any defense article or information

received from the United States. The new policy was to be financed by appropriations for its purposes, "out of any money in the Treasury not otherwise appropriated."

For two long months Congress engaged in a spirited, and at times acrimonious, debate on this sweeping proposal. Although it immediately became evident that decisive majorities in each House favored the bill substantially as drawn, a determined minority, led chiefly by Senators Wheeler, Clark, Nye, and Taft, sought to delay its passage by obstructionist tactics bordering on a filibuster. Extensive hearings were held, and witnesses from all parts of the country testified before the House and Senate foreign affairs committees. As the debate progressed, the country rallied to the support of the bill with unmistakable determination. In February, a Gallup poll showed that only 22 per cent unqualifiedly opposed the measure, while 69 per cent favored its passage either without change or with only minor alterations, the remaining 9 per cent expressing no opinion. Early in March, the House having adopted the bill some weeks before, opposition in the Senate suddenly collapsed and the bill passed the upper House by a vote of sixty to thirty-one—only one short of a two-thirds majority. On 11 March the President affixed his signature and four days later broadcast to the world the categorical promise that those who were fighting the aggressors would get from America the ships, the planes, the guns, and the food they needed to carry on to victory. Without delay, a \$7,000,000,000 appropriation bill to implement the purposes of the Lease-Lend Act was rushed through Congress by overwhelming majorities and on 27 March it also was law.

By the foregoing action the legal decks were cleared for a policy of unqualified *economic* belligerency on the side of Britain, China, and the two Balkan nations (Greece and Yugoslavia) that were then resisting Hitler. Notwithstanding the Johnson and the Neutrality Acts, which remained on the statute books, the President could now authorize not merely the lending or leasing of war supplies and equipment, but their outright gift, if, in his judgment, the defense of the United States justified such action. The rate of assistance now depended upon the tempo of the defense production program and the safety of shipment across the infested waters of the North Atlantic.

Following the passage of the Lease-Lend Act, the all-absorbing issue before the country was whether American naval and air forces should be employed to aid the British in "convoying" shipments of American war materials to British ports. Once again American opinion hesitated to endorse a step which had obvious potentialities for active American involvement in maritime warfare. The sample polls consistently indicated that only a bare majority were as yet in favor of "convoys." In the meantime, British shipping losses ominously mounted to roughly half a million tons a month.

At this rate, total losses for 1941 would double total replacements from British and American shipyards. Unless losses were somehow reduced or a more effective utilization of available tonnage was worked out by joint action of the American and British governments, the war might be lost before the tremendous industrial power of the United States could be mobilized to turn the tide.

Despite the extreme gravity of this situation, the President chose not to precipitate the convoy issue in any direct fashion, presumably for fear that it might aggravate disunity both in the halls of Congress and in the country. Instead, the administration proceeded with an indirect "step-by-step" program of economic, diplomatic, and psychological warfare against the Axis powers. The President's strategy appeared to be one of exerting a series of pressures carefully timed to produce the maximum effect while still keeping within the popular notion of "short of war." The development of this policy can best be indicated by noting its interrelated parts.

Nonmilitary warfare against the Axis.—The first phase of the President's program was concerned with shipping supply. Early in April, Congress was requested to adopt legislation permitting the requisition for American service of all idle foreign vessels in American harbors. Such legislation would enable the President to use the Danish, German, and Italian ships that had already been seized in March. Without waiting, however, for specific legislative authorization (not forthcoming until June), the Chief Executive ordered the acquisition by the Maritime Commission of some 2,000,000 tons of existing merchant shipping, domestic as well as foreign, for operation "in such a manner as will make their cargo space immediately effective in accomplishing our objective of all-out aid to the democracies." Foreign-owned ships were to be transferred to British or other foreign registry for use on routes to the combat zones, while American vessels would be diverted from inter-coastal trade or other existing uses and reallocated for war transport. This move was generally interpreted as a step toward the realization of the "bridge of ships" that the President had promised earlier in the year. Immediately, arrangements were initiated for 50 American-owned oil tankers to carry oil from Latin America to east coast ports in the United States, "where it would be transferred to British ships for the run to the United Kingdom."⁹ Simultaneously with these moves, the President allocated \$500,000,000 of the lease-lend appropriation to build 56 new ways and 212 merchant ships for the British, although most of these new vessels were not expected to be launched before the latter part of 1942. This action was intended to supplement the existing building program of the Maritime Commission calling for 200 "ugly ducklings" (prefabricated ships of standard

⁹ William Diebold, Jr., "The Wartime Use of Shipping," *Foreign Affairs*, July 1941. This article is an excellent analysis of the whole problem.

design) and also for 60 British cargo ships of 10,000 tons each. Looking still further ahead, the President asked Congress in July for an additional appropriation of \$1,698,000,000 for the construction of 566 ships of various types, for the purchase and repair of existing ships, and for the building of 48 additional ways and the reconditioning of yards.

During April, Mr. Roosevelt announced two other moves designed to expand American maritime operations in the interest of British war supplies. One of these moves was to reopen the Red Sea to American merchant ships, this area having earlier been declared a part of the forbidden combat zone under the Neutrality Act. At a press conference held shortly after this action, the President asserted that "the law required the government to protect American merchant ships wherever they operate outside of declared combat zones."¹⁰ As the month ended, the White House made it known that the American neutrality patrol had been ordered to extend its operations to whatever limits were necessary for the strategic defense of the Western Hemisphere. While the President refused to elaborate on this announcement, Admiral Stark, Chief of Naval Operations, disclosed that United States naval patrols were already operating as far as two thousand miles at sea.

On 27 May, Mr. Roosevelt issued a proclamation of "unlimited national emergency" as a psychological gesture to impress the country with the growing gravity of the crisis it faced and to speed up the defense program. Close on the heels of this action came a succession of diplomatic and economic moves. On 14 June, Washington issued an order for the immediate "freezing" of all German and Italian assets in the United States, as well as the assets of all invaded or occupied countries not previously frozen. Two days later all German consulates in the United States, along with the German Library of Information in New York, the German Railway and Tourist Agencies, and the Trans-Ocean News Service were ordered closed by 10 July. Similar action was taken against Italian consular establishments on 21 June.

At this juncture it is necessary to outline the evolution of the administration's policy with reference to the war in the Pacific. In essence, this policy may be characterized as material and moral aid to China, combined with diplomatic and economic pressure on Japan, but not to the point of provoking the latter to move in force against The Netherlands East Indies and Singapore.

The chief economic weapon used against Japan was the embargo of certain types of war materials. In October 1940, following the conclusion of the Tri-partite Alliance, the previously imposed embargo on high-test aviation gasoline was extended to include scrap iron and scrap steel. Other forms of these two metals were, however, allowed to reach Japan; likewise, vast

¹⁰ *The New York Times*, 15 April 1941.

quantities of petroleum products.¹¹ While a number of other materials of secondary importance were subsequently subjected to partial or complete embargo, Japan was reportedly able to accumulate large reserves of oil and other American supplies which she could draw upon in case The Netherlands East Indies were cut off. As indicated in another section of this supplement, the Japanese entrance into Indo-China in July provoked a prompt response in Washington, where President Roosevelt at once, and acting in close conjunction with London, "froze" Japanese credits and assets in this country, thus virtually bringing all trade between the two countries to an end. Japan countered with a similar "freezing" of American credits in that country.

In the realm of diplomacy, move and countermove followed one another, as on a chessboard, depending upon whether firmness or a conciliatory attitude seemed the more expedient at a given moment. One example of mild diplomatic pressure was the calling home of all American residents in Japan. In the sphere of military and political strategy, Washington and London allowed the report to circulate, on more than one occasion, that the United States, Britain, and Australia had agreed on the coöperative use of the Singapore and Australian bases as part of a broad plan of defense for the Australasian region. Conferences were held by the British, American, and Dutch commanders in the Far East on defense matters. The technique of naval demonstration was also employed to impress the Japanese when, in March 1941, two squadrons of American warships paid a friendly visit to New Zealand and Australia while Foreign Minister Matsuoka was journeying to Berlin, Rome, and Moscow.

All in all, while Anglo-American pressure on Japan, plus aid to China, undoubtedly helped to prevent the conquest of China, it was not enough to enable China to defeat Japan. Although the reopening of the Burma Road by Great Britain in October 1940, with Washington's approval, had permitted munitions to move again into China from the South, Japanese bombing planes operating from Japan's new bases in French Indo-China were able to inflict telling damage on other supply routes. After the return of Mr. Lauchlin Currie, President Roosevelt's special emissary to Generalissimo Chiang Kai-shek, Washington announced the setting up of a \$50,000,000 fund to stabilize the Chinese currency.¹² In addition, allotments of war materials under the Lease-Lend Act, to the value of nearly \$100,000,000, were made to China shortly thereafter.¹³

In passing, brief comment is in order on American policy with reference to the Vichy government of France. Somewhat as with American-Japanese strategy, although on a very much restricted scale, there was hope

¹¹ Some 157,000,000 gallons of petroleum went to Japan from 1 July 1940 to 15 March 1941. Cf. I. F. Stone, "Snub-and-Sell Diplomacy," *The Nation*, 14 June 1941.

¹² Reported in *The New York Times*, 26 April 1941.

¹³ *Ibid.*, 27 May 1941.

that the proper blend of material assistance and diplomatic pressure might somehow delay, if not prevent, the complete "collaboration" of the Pétain régime with its conquerors—at any rate to the point of yielding to the Nazis the remainder of the French fleet and granting them the right to use the French North African colonies as bases of military operation against Great Britain. With the rather reluctant assent of London,¹⁴ small shipments of food, vitamin tablets, milk, and medical supplies were sent to unoccupied France as an inducement to this end. While it is impossible to say what effect this use of food as "an instrument of diplomacy" had on the course of Nazi-Vichy relations, it was not until May 1941 that an agreement for collaboration was publicly announced. Immediately thereafter both President Roosevelt and Secretary Hull issued pointed warnings to the Vichy government that the United States might be compelled to take preventive measures in case this forced collaboration went so far as to menace the security of the Western Hemisphere. Reference here, of course, was to the status of the French West African possessions, including, in particular, the port of Dakar, and also of the French islands of Martinique and Guadeloupe in the West Indies. Eleven French ships in American ports (among them the giant passenger liner *Normandie*) were placed under the protective surveillance of the American Coast Guard. Vichy entered a protest against this action, but sent a formal pledge to keep within the terms of the Franco-German armistice agreement. Some weeks later, when Vichy ordered resistance to the British—"Free French" intervention in Syria, undertaken in order to prevent the use of the mandated territory as a military base by the Germans, a new warning to Vichy was issued by Washington, along with an appeal to the French people to repudiate the scheme of the "Darlan-Laval group to deliver France politically, economically, socially, and militarily to Hitler."¹⁵

The Roosevelt "Atlantic Doctrine" of hemisphere defense.—Implicit in the evolution of official United States policy in the Second World War was a new doctrine of strategic defense. This doctrine, based upon the new realities of long-range warfare, was given explicit expression by President Roosevelt in his epoch-making "fireside chat" of 27 May 1941. To paraphrase the President's words, the United States announced to the world that it would resist any and all attempts by the Axis aggressors to threaten or occupy points from which Western Hemisphere security might be endangered. Among such points are Greenland and Iceland in the North Atlantic; the

¹⁴ For the exchange of letters between Secretary Hull and the Foreign Minister, cf. the *Department of State Bulletin*, 31 May 1941.

¹⁵ Department of State *Press Release*, 13 June 1941. In a letter to Senator Mead of New York, dated 7 June, Secretary Hull stated that any action the United States might take which would affect the status of the French islands in the Western Hemisphere would "accord with the agreement reached with the other American republics at the Havana Conference." *The New York Times*, 8 June 1941.

Azores, Canary, and Cape Verde islands in the middle Atlantic; and the ports of Dakar and Freetown on the West African coast. Although Mr. Roosevelt did not enumerate all of these places, his meaning was clear. American interest demanded that no potential enemy be allowed to secure vantage points from which to strike across the Atlantic Ocean. As one commentator expressed it, "The ocean has ceased to be a barrier and has become a highway for enemy attack. Our coastline is no longer the line of American defense. To paraphrase Nelson, our sea and air frontiers have become the shore-lines and air-lines of our enemies. Our freedom as a nation will depend, in the future, less upon our ability to execute land operations than upon our control of the sea and air approaches across the oceans."¹⁶ Or, in the trenchant language of a *New York Times* editorial: "The Roosevelt doctrine is as reasonable for 1941 as the Monroe Doctrine was a century or more ago. It proposes to use different means toward the same end, and the end is what it was then—security for democratic institutions in the Western Hemisphere. The bombing plane has changed the Atlantic into a strait. The Latin-American republics are no longer our more or less willing wards, but, we hope, our willing allies in a common cause. As our interests are exactly opposed to the Axis ambitions, they are joined with those of all nations, including Britain and China, now fighting to remain or become free."¹⁷

In terms of this new Atlantic Doctrine, even the island of Great Britain became a vitally important factor in the strategy of American defense. Without this island "outpost," as Major George Fielding Eliot suggested, it would be difficult, if not impossible, to blockade Germany or to conduct air attacks on German industries. It was in this sense that the Roosevelt Administration appeared to be developing its defense diplomacy during the summer of 1941. American intervention in the world conflict was no longer being explained primarily as "aid to Britain," but rather as a necessity for the protection of the American world and its priceless heritage of political and cultural liberty. In so far as any program of American peace aims could be said to have emerged, it sought to secure, for this Atlantic area and as much of the rest of the world as possible, the preservation, in the words of President Roosevelt, of "four essential human freedoms." These included "freedom of speech and expression"; "freedom of every person to worship God in his own way"; "freedom from want—which, translated into world terms, means economic understandings which will secure to every nation a healthy peacetime life for its inhabitants"; and "freedom from fear—which, translated into world terms, means a world-wide reduction of arma-

¹⁶ Francis P. Miller, "The Atlantic Area," *Foreign Affairs*, July 1941. The map accompanying Mr. Miller's note is indispensable for a visual understanding of the new strategic importance of the North Atlantic from the American point of view.

¹⁷ Issue of 1 June 1941.

ments to such a point and in such a fashion that no nation will be in a position to commit an act of physical aggression against any neighbor.”¹⁸ How to implement such a program institutionally remained the baffling question.¹⁹ The only certainty was that the one chance of rebuilding a world order based upon morality and justice lay in the decisive defeat of the Axis aggressors. For the United States, not only this “defeat,” but the resultant new effort of coöperative peace-building, appeared to call for increasing economic, financial, naval, and political collaboration with the British Commonwealth of Nations and all other nations willing to coöperate to these ends, whatever be the physical risks involved.

Iceland was occupied by American forces early in July. This action was taken at the invitation of the Iceland government, but only after consultation with London. In accordance with the new Atlantic Doctrine, United States forces were now established well within the German-declared war zone—only seven hundred miles from Scotland and only twelve hundred miles from the German coast. Assurances were expressly given by the President that the sovereignty of Iceland would be fully respected and all American forces would be withdrawn as soon as the international emergency had passed. The strategic import of the action, however, escaped no one—least of all the Nazi high command. By making the seas between the American continent and Iceland safe for supplies to its new base of operations, the United States must inevitably become a partner with Britain in maintaining her sea lanes. Not only this, but the United States now held strategic points from which American scouting and bombing planes could easily reach the European Continent.

¹⁸ Annual address to Congress, 6 January 1941.

¹⁹ In this connection, there may be significance in the rise of sentiment among Americans for American participation in a reconstructed league of nations. A Gallup poll taken in June showed that 49 per cent of the voters favored this.

CHRONOLOGY OF INTERNATIONAL EVENTS JULY, 1941-JANUARY, 1944

1941

- July 7—United States forces occupy Iceland with the consent of the Icelandic government.
- July 14—"Free French" and British forces complete their occupation of Syria and the Vichy government accepts armistice terms.
- July 29—Japan and Vichy France sign a protocol for the "defense" of French Indo-China.
- Aug. 14—The Atlantic Charter is announced to the world by President Roosevelt and Prime Minister Churchill.
- Sept. 23—The formation of a Free French National Council, under the presidency of General de Gaulle, is announced in London.
- Sept. 24—Inter-Allied Conference of representatives of Great Britain, the U.S.S.R., and nine governments-in-exile pledges full adherence to the Atlantic Charter.
- Sept. 26—The Soviet government recognizes de Gaulle as the leader of all "Free" Frenchmen.
- Oct. 27—Conference of the International Labor Organization opens in New York.
- Nov. 17—U. S. Neutrality Act of 1939 is amended to permit arming of merchant ships and their passage through combat zones.
- Dec. 7—Japanese forces attack Pearl Harbor.
- Dec. 8—The United States and Great Britain declare war on the Japanese Empire.
- Dec. 11—Germany and Italy declare war on the United States, which immediately reciprocates by declaring war on both powers.
- Dec. 21—Japan and Thailand sign a ten-year treaty of alliance.

1942

- Jan. 1—United Nations Declaration is signed at Washington by representatives of 26 nations at war with the Axis.
- Jan. 13—In London representatives of eight governments-in-exile and Free France adopt a resolution on Axis war crimes.
- Jan. 15—Third Consultative Meeting of American Foreign Ministers convenes at Rio de Janeiro, recommending severance of diplomatic relations with the Axis by American republics.

- Jan. 15—Greek and Yugoslav governments-in-exile sign agreement for postwar confederation in London.
- Jan. 23—Polish and Czechoslovak governments-in-exile sign agreement for postwar confederation in London.
- Jan. 27—Establishment of Munitions Assignment Board, Combined Shipping Adjustment Board, and Combined Raw Materials Board is announced by Roosevelt and Churchill.
- Jan. 29—Great Britain, the Soviet Union, and Iran sign a treaty by which Britain and the U.S.S.R. undertake to respect the territorial integrity and sovereignty of Iran.
- Feb. 3—Great Britain and Ethiopia sign a two-year agreement providing for British loans and technical assistance to Ethiopia.
- Feb. 15—Singapore surrenders to the Japanese.
- Feb. 23—The United States and Great Britain sign a "master" lend-lease agreement.
- Mar. 30—The Pacific War Council is created at Washington by the United States, Great Britain, Canada, China, Australia, New Zealand, and The Netherlands.
- Mar. 30—Inter-American Defense Board holds its first meeting at Washington.
- April 10—All-India Congress Party rejects the Cripps proposals for postwar dominion status for India.
- May 4—British forces occupy the Island of Madagascar.
- May 7—Surrender of Corregidor fortress to Japan.
- May 14—President Quezon establishes the Philippine government-in-exile at Washington.
- May 22—Mexico declares war on the Axis powers.
- May 26—Great Britain and the Soviet Union sign a twenty-year mutual assistance treaty.
- June 5—The United States declares war on Bulgaria, Hungary, and Rumania.
- June 9—Roosevelt and Churchill announce the establishment of a Combined Production and Resources Board and a Combined Food Board at Washington.
- July 9—The United States announces its intention of according military assistance to de Gaulle's French National Committee.
- July 14—The name of the Free French movement is changed to "Fighting France."
- Aug. 22—Brazil recognizes a state of war with Germany and Italy.
- Oct. 7—President Roosevelt announces the formation of a United Nations Commission on Axis War Crimes.
- Oct. 9—Ethiopia adheres to the United Nations Declaration.
- Nov. 8—The Vichy Government breaks off relations with the United States following the landing of American forces in French North Africa.
- Nov. 11—German forces occupy all metropolitan France.

Dec. 27—General Giraud is made High Commissioner for French North Africa as successor to Admiral Darlan (who was assassinated on Dec. 24).

1943

Jan. 11—The United States and Great Britain sign treaties with China abolishing extraterritorial rights.

Jan. 14-27—Roosevelt and Churchill hold a conference on war strategy at Casablanca, French Morocco.

April 19-29—At Bermuda Great Britain and the United States hold a conference on refugee problems.

May 18-June 3—United Nations Conference on Food and Agriculture meets at Hot Springs, Virginia.

June 3—The French Committee of National Liberation is established at Algiers under the joint presidency of de Gaulle and Giraud.

June 10—Moscow announces that the dissolution of the Communist International has been completed.

July 9—Allied forces invade Sicily.

July 15—Inaugural session of the United Nations Interim Commission on Food and Agriculture is held in Washington.

July 25—Mussolini resigns as head of the Italian government.

July 28—The dissolution of the Fascist Party is decreed by the Badoglio government of Italy.

July 17-24—Roosevelt and Churchill, with their military advisers, hold a war strategy conference at Québec.

July 31—The United States, Great Britain, and the Soviet Union dispatch notes to neutral states and the Vatican asking them to deny asylum to Axis war criminals.

Aug. 26—The United States, Great Britain, the Soviet Union, and Canada recognize the French Committee of National Liberation as the authority to administer all French interests not under Axis control.

Aug. 30—The United States and Great Britain issue a declaration of policy regarding crimes against civilians in occupied territories.

Sept. 3—British and Canadian forces land in southern Italy. The Badoglio government of Italy signs a military armistice with the Allies.

Sept. 9—Anglo-American forces establish a beachhead at Salerno, Italy.

Sept. 25—The United States makes a lend-lease agreement with the French Committee of National Liberation.

Oct. 12—London announces that Portugal has granted bases to Great Britain in the Azores.

Oct. 13—The Badoglio government of Italy declares war on Germany and is accepted as "co-belligerent" by Great Britain, the Soviet Union, and the United States.

- Oct. 19-30—The foreign ministers of the United States, Great Britain, and the Soviet Union hold a conference in Moscow which results in a Four Power Declaration on postwar world organization and in declarations of policy relative to the future treatment of Italy and Austria.
- Nov. 9—Representatives of 44 United and Associated Nations sign the United Nations Relief and Rehabilitation Agreement at the White House.
- Nov. 10-Dec. 1—The first session of the U.N.R.R.A. Council meets at Atlantic City, New Jersey.
- Nov. 10—The formation of an Allied Control Commission for Italy is announced by General Eisenhower.
- Dec. 1—President Roosevelt, Prime Minister Churchill, and Generalissimo Chiang Kai-shek issue the Cairo Declaration on the treatment of defeated Japan.
- Dec. 1—Roosevelt, Churchill, and Stalin issue a Three Power Declaration at Teheran (Iran), promising the destruction of German military power and pledging coöperation for an enduring peace.
- Dec. 12—The Soviet Union and the Czechoslovak government-in-exile sign a twenty-year mutual assistance pact in Moscow.
- Dec. 15—The European Advisory Commission, created by the United States, Great Britain, and the Soviet Union at the Moscow Conference, holds its first meeting in London.

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